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Russia 'To Guarantee' Nuclear Power Safety

LD0403134192 Moscow TASS in English 1302 GMT 4 Mar 92

[By ITAR-TASS correspondent Lyubov Dunayeva]

[Text] Moscow March 4 TASS—The Russian committee for supervision over the safety of work in nuclear power engineering aims to guarantee health and nature protection from nuclear radiation and prevent uncontrolled distribution and use of radioactive materials, Aleksandr Gutsalov, head of the committee, told a news conference in Moscow today.

A total of 28 nuclear generators were in operation in Russia in 1991, which supplied electricity to 13,000 enterprises. Four reactors were recently shut down for dismantling.

Gutsalov said the committee will cooperate with similar agencies on other Commonwealth states.

Necessity for More Nuclear Safety Funds Noted

PM0503090592 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1900 GMT 1 Mar 92

[Report by V. Kondratyev in Germany; from the "Itogi" newscast]

[Text] I cite from German Television newscasts: Tonight terrorists warned via telephone that should their demands not be met they will detonate two nuclear artillery shells captured from the arsenal of the former Soviet Army near the Brandenburg Gate.

Insurgent military units in one of the republics of the former USSR have seized an arms dump containing nuclear munitions. It is not clear whether they can operate the trigger mechanism.

Nuclear blackmail, nuclear civil war—these reports are figments of journalistic imagination. However, people in Germany do not consider such a development of events as completely unlikely. So much has been written and shown here that both experts and ordinary people are beginning to ask themselves whether this is not deliberate scaremongering on the part of Russia and other sovereign states in order to bump up financial aid from the West.

Here you see on the TV screen a tactical nuclear missile combat detail. The missile has a range of 70 km. In peacetime the station is serviced by only seven people. Frankly speaking, the officer does not rule out an attack with a view to capturing missiles. He can guarantee security only 70 percent. It is essential to boost the installation's protection with the help of tanks and armored vehicles.

Here German journalists are being taken to the bunker where the missiles are kept. They are amazed to see that there are no electronic protection devices. The locks on the steel doors resemble ordinary barn door locks.

Somehow, despite the changed strategic situation, there has been no mass screening of NATO nuclear warheads on our television. On the other hand, the corresponding departments in our country are doing one favor after another to Western camera teams in exchange for marks and dollars. This is being assessed here as an impermissible decline in military morale.

Interviews with our nuclear scientists wanting to leave the country are broadcast continually. This young physicist and his colleagues have established contact with a member of the Pakistani Government via his relatives. He has suggested that they find several more suitable people and come to Pakistan to work in the nuclear research sphere. We like this suggestion, the potential nuclear mercenary is saying. We are even prepared to work in the military sphere. We also have similar contacts with the Arab Emirates. And since the would-be divulgers of secrets have obtained foreign-travel passports, they may leave via Bulgaria or Turkey at any moment.

FRG Government circles would rather overestimate than underestimate the danger. Genscher, the author of the idea of establishing an international technological center in Russia, has said that this issue will be discussed in practical terms by the EC in Brussels on Monday [2 March] and Tuesday [3 March]. For the time being it is not clear on what basis the new center will operate. It seems that 3,000 of our scientists can expect monthly wages of $1,000 either at the Kurchatov Institute in Troitsk or in Arzamas-16. The Americans have appropriated $20 million for these purposes, and the EEC $50 million with Germany contributing almost one-third. However, these funds will clearly be insufficient, just like the $400 million pledged by the Americans for the destruction of our nuclear warheads. FRG experts proceed from a figure which is a thousand times bigger. At the same time the warheads, of which there are 27,000 in our country, must, without fail, be dismantled where they were built, at the same plants, and by the same people. Otherwise the risks are great.

According to Genscher Russia must recall its experts working under state contracts in Libya and elsewhere. Germany has submitted a whole package of measures on nuclear non-proliferation to the United Nations. One of these measures stipulates that all states should follow Germany's example and strictly punish people who take part in building mass annihilation systems abroad.

Our mass media have virtually ignored the U.S. proposal put forward by Vice President Quayle in Munich recently for the creation by the United States, Europe, and Russia of the GPALS anti-missiles shield against nuclear terrorists. After all, eight more countries are likely to join the current nuclear powers by the end of the century. According to expert opinion this cannot be prevented.

Following continuous alarming reports emanating from what is known as "one-sixth of the Earth," the Germans are nonetheless staking on political and economic rather than military solutions, hoping that common sense and the instinct for self-preservation will help to avoid the gloomiest scenarios.

Safety Chief on Illegal Uranium Exports

PM0403215192 Moscow IZVESTIYA in Russian 5 Mar 92 Morning Edition p 1

[Andrey Illesh and Valeriy Yakov report: "Illegal Export of Nuclear Materials Not Ruled Out"]

[Text] A news conference was held in the Russian Foreign Ministry Press Center 4 March with the participation of the leadership of the State Committee for the Supervision of Nuclear and Radiation Safety under the Russian Federation president.

In particular, a topic raised in a report in yesterday's IZVESTIYA—the possibility of illegal exports of radioactive materials abroad—was touched upon. In this connection Aleksandr Gutsalov, first deputy chairman of the State Committee for the Supervision of Nuclear and Radiation Safety, answered IZVESTIYA's questions before the start of the news conference.

[Gutsalov] The possibility of selling uranium abroad exists and is governed by export-import terms. There are corresponding international regulations from the International Atomic Energy Agency [IAEA], and they clearly limit the supply of special nuclear material that has been prepared for use as fuel for reactors or that can be used to manufacture nuclear weapons—there are restrictions on this. There are no special restrictions on natural uranium, and so in such a situation it is possible to speak of the decency of people who engage in such business. On the other hand, all the same, any state which extracts uranium, processes it, and uses it must control export and import operations involving it.

[IZVESTIYA] But we are talking of an illegal business, which, of course, is not governed by IAEA documents...

[Gutsalov] Of course, it is possible to circumvent any cordon. But, on the other hand, there is the possibility of determining the presence of radioactive materials in the customs, on the border.

[IZVESTIYA] It is no longer a secret today that there are plenty of breaches on the border, that the customs are not always incorruptible, that the all-seeing KGB is a myth... In this connection is your committee taking any additional measures to control the situation?

[Gutsalov] We will develop such activity from the viewpoint of accounting and control.

[IZVESTIYA] Do you admit that there might be people even within your committee who cooperate with shady structures engaged on illegal business?

[Gutsalov] No, we are not directly involved in such operations. Our employees specialize in controlling and regulating legal operations from the viewpoint of safety and accounting of nuclear materials. They are not directly employed in enterprises which extract or process uranium.

Chelyabinsk Executive Quizzed on Baker Meeting

PM0403130592 Moscow MOSCOW NEWS FAX DIGEST in English 3 Mar 92 pp 9-10

[Interview with Yevgeniy Avrorin, corresponding member of the Russian Academy of Sciences and scientific director of the Chelyabinsk-70 Institute of Technical Physics, by Dmitriy Yakushkin; place and date not given: "Nuclear Physicists. Chelyabinsk-70 After Baker's Visit—first paragraph is introduction]

[Text] An MN [MOSCOW NEWS] correspondent spoke to Yevgeniy Avrorin, Corresponding Member of the Russian Academy of Sciences and scientific director of the Institute of Technical Physics located at Chelyabinsk-70.

Q: Has your institute been declassified?

A: Not completely. Classified projects are still being carried out.

Q: What is the atmosphere now prevailing at your institute?

A: It's complex. Serious nuclear disarmament has already commenced and work on weapons has been drastically cut. The institute has little financial support as fewer contracts are placed. With no money to enrol young people the institute has been aging rapidly. There is a loss of morale: previously it was considered that we were people the country needed, that it owed its defence to us. This kept us going. There were material and moral incentives: bonuses, titles and attention from the leadership. Now the opposite is the case. In fact some time ago we were even baited in the press. Our activities were depicted as harmful both to the country and to humankind. So this transition—from feeling that we were necessary to defenceless people—has a negative effect.

Q: How many people are on your payroll?

A: About 16,000.

Q: How many of your specialists are capable of developing nuclear weapons?

A: Several hundred of those who work here could render considerable assistance in their development. This does not mean that all of them must be removed simultaneously—in real terms dozens would be required for this purpose.

Q: There are fewer orders, but the institute functions as before. What do you do now?

A: We have continued work to improve nuclear weapons and study their action. Of late we have carried out work to enhance the safety of weapons and develop the technology of their elimination. We are also busy developing methods of control over different international agreements—e.g. control over the power yield of nuclear testing. At present our expedition is working at the Nevada testing range.

Q: Our nuclear physicists may find themselves in countries like Libya or Iraq?

A: To begin with, there have been no such offers as far as I know. And secondly: will our experts agree? Try to imagine such an individual—he must be a potential criminal. He must also be a highly skilled specialist—not too old, and not too young to lack experience. And he mustn't have strong ties with family and friends in this country. It's hard to find such a person among our colleagues. I would be unable to offer a candidate.

Q: What are the average wages like today at Chelyabinsk-70?

A: In December it was a thousand roubles. But the President has promised to increase it fivefold, and I hope this will be done.

Q: And what about proposals to leave for developed countries?

A: No such proposals have yet been made, but this issue is more complicated. Western aid to our nuclear scientists is now being discussed. When we met Baker we told him that it must not be a question of grants or scholarships. That is psychologically unacceptable and ineffective. There is a need for joint projects which would be advantageous both to the Western partner and to us. This could be research programmes financed by national or private funds, or specific technical projects beneficial to a particular firm.

Q: Among the likely projects mention has been made of the joint development of SDI [Strategic Defense Initiative] with an antiterrorist orientation. To what extent do you believe this is feasible?

A: I have doubts on this score because SDI implies such advanced technology that the Americans will hardly start sharing it with us. Of course they pursue their own ends. There is also the danger of our turning into America's raw material appendage. This is feasible unless we keep on our guard.

Q: How did your meeting with Baker proceed?

A: He came straight to the institute, where he met with specialists. From our side there were about 20 persons, with him were his escort and some American correspondents. I spoke on two themes: the future of nuclear weapons and nuclear specialists. Then Baker took the floor—he formulated proposals on likely ways of assistance and cooperation. Afterwards the journalists were requested to leave and we talked about specific questions linked to weapons: their elimination, safety measures, and the creation of storage facilities for fissile materials. We showed Baker a line for work with highly active materials.

Q: How do you visualize the financing of your centre?

A: Work on nuclear weapons can only be financed directly from the state budget and must be under rigid state control. Part of the work will be done on contracts from commercial organizations, both Russian and foreign.

Bush, Yeltsin 'Hasty' Arms Proposals Examined

PM0403153692 Moscow NEW TIMES in English No. 7, Feb 92 pp 22-23

[Article Pavel Bayev: "Former Enemies Playing at Nuclear Giveaway"]

[Text] A new act in the political drama called "A Farewell to Arms" was played out in Moscow, Washington and New York last week. A perfectionist disarmament expert might regard this performance as hasty, even feverishly so, as if the "dramatis personae" were in a hurry to cram into it all the postponed and overdue initiatives before the curtain fell.

The USA: Arms Reduction Strategy

By sheer force of habit, our papers described American initiatives as "reply" ones, although they were not taken in direct response to their former enemy's actions. Washington realized, of course, that concrete and businesslike proposals would make it easier for Moscow to make disarmament decisions. On the whole, such considerations, seen as substantial during President Bush's summer visit to Moscow, have by now become "subtle nuances" only "connoisseurs" can appreciate.

Economic limitations and political struggle are now emerging in the forefront of the arms reduction strategy. It would be an exaggeration to say that the US economy is staggering under the burden of the arms race. Nevertheless, the "Reagan spurt" of the early eighties caused serious malfunctions in economic and industrial mechanisms which aggravate the current slump in production. The civilian sector of the economy and the social sphere require massive injections of capital; besides, there are commitments to maintain a new world order and the objective need to help the explosive Commonwealth.

Under the circumstances, a steady reduction in military spending is inevitable, and the Pentagon is painstakingly calculating its parametres and setting its priorities. The Gulf war has set clear-cut limits on the reduction of expeditionary forces. The two German-based divisions, which covered themselves with glory in the sands of Iraq a year ago, furled their banners in January. The weapon systems regarded as necessary until a short while ago have now become superfluous, releasing more money for civilian use. It is true that the scrapping of the already

launched long-term programmes (in particular the B-2 bomber programme) involves extra expenses; but then it permits concentrating efforts on new promising long-term projects.

Having a breathtaking scientific and technological programme is as crucial to President (and Presidential candidate) George Bush today as the "Star Wars" idea was to Ronald Reagan at the end of 1983, and as the Man on the Moon programme was to President John Kennedy slightly over two decades before. Therefore the President has firmly waived the unpopular and Congress-blocked items of military spending and come up with a new space programme which includes orbital stations, a base on the Moon and a flight to Mars.

Russia: The zigzags of atomic diplomacy

For the Commonwealth, a nuclear arms cut is an absolute must for two obvious reasons. On the one hand, the Gaydar government cannot afford to maintain strategic deterrence forces at their present level, let alone modernizing them. On the other, independent republics can be "de-nuclearized" only through the elimination of their nuclear weapons, and not by transferring them to Russia. Practical nuclear arms cuts call for a well thought-out and flexible strategy which is still to be worked out. Cardinal decisions turn out to be, on inspection, mere moves in the fierce political struggle among the leaders of the Commonwealth's quasi-states who try to "sell" whatever decisions they make to the highest bidder in the West.

Yeltsin made the first attempt of this kind during the last-autumn exchange of initiatives between Bush and Gorbachev—"we shall go further than that," he said. That sounded like bluffing from behind the back of the man then in control of the nuclear button.

The traditional comparison between the initiatives of the two sides can only be of statistical interest. In relationships between all but allies, haggling is improper. However, certain incongruities do strike the eye. Whereas George Bush relinquished what was impossible to keep, Boris Yeltsin failed to include in his "ten points" such obligatory nuclear disarmament moves as the elimination of missiles from Ukraine and Kazakhstan. At the same time, many experts wonder why most of our unilateral cuts are made at the expense of the air force (traditionally the weakest element of our strategic triad). Despite preliminary agreements and friendly talks at Camp David, it is still not clear whether Moscow is going to respond to the suggestion that MIRVed missiles be eliminated.

During his visit to America, President Yeltsin preferred on the whole to discuss not concrete statistics, but his idea of making the SDI - which had been a thorn in Mikhail Gorbachev's flesh - into a multilateral project. Although rather tactless (after all, the other side is expected to foot the bills), this manoeuvre got the American partners somewhat interested - they do not want Russian nuclear missile makers to lose their jobs. The question of whether Russia can exercise reliable control over, and derive any political benefit from, its strategic forces in a new situation remains, however, open.

Denuclearization all the same

Writing in a variety of publications (NEW TIMES included), I have tried to prove for years the usefulness and necessity of a nuclear status for our country. From the standpoint of a "hawkish" expert, Gorbachev's programme for a non-nuclear world was open to criticism, because it: a) was unacceptable to Western realistic politicians; b) failed to take into account the political advantage of nuclear weapons to the Union and to Russia; c) blocked negotiations on tactical nuclear weapons. Today I have to take these statements back and to admit that the nuclear potential is becoming a luxury Russia cannot afford.

Even in the absence of nucler confrontation, these weapons retain their political role and give Russia a high international status and a seat in the UN Security Council. Nevertheless, an intricate nuclear-political game involves unacceptable risks for Russia.

As recently as in January, a conference on the problems of the Moslem republics of the former USSR was held at the Science and Politics Foundation, Germany's leading political research centre in Ebenhausen. Analysts from the Foreign Ministry and the intelligence services, academic experts and Radio Liberty commentators singled out "the Islamic bomb" as a key problem. Grave concern was voiced over a series of almost inevitable crises in which the atomic factor - from contraband in enriched uranium to the as yet hypothetical "Islamic terrorism" may have a most unexpected role to play.

The potential for nuclear differences between Russia and the Ukraine is higher still. Today the Ukrainian leadership having cast all the former ambiguities aside proclaims its commitment to a nuclear-free status and insists on an early evacuation of all nuclear warheads. However, politicians and MPs are ready for confrontation and may play the "nuclear trump card" at the slightest provocation. The absurdity of the idea of a limited nuclear war in Central Russia and Polesye does not stop the Rand Corporation theoreticians from simulating it, and the various turns it may take, in their computer rooms; they have been at it for about six months now.

The unthinkable can be rendered impossible, and atomic weapons withdrawn irrevocably from political games, only by means of a programme called, say, "Denuclearized Russia 2000." In my opinion, such a concrete programme for eliminating these weapons will compel other republics to stop suspecting us of "great power ambitions" and will put paid to their own potential nuclear ambitions. It will get the army reform off the ground and make it possible to restore, partially at least, political control over the army. The absence of such

control is evidenced by the strategic forces command being ignorant of the "ICBM retargeting plans."

As distinct from the Gorbachev project, the new programme should be a unilateral one. We must be prepared for other nuclear powers not following our example and even rejecting the International Agency's idea, while supporting in every way the measures taken to prevent the proliferation of nuclear weapons. Therefore, we can reckon upon getting not only one-time aid, but guarantees of long-term investments in our nuclear economy.

Investments should be made not on the construction of radioactive-waste graveyards, but in the basic nuclear R&D, which would ensure physical destruction of nuclear warheads, the utilization of fissile materials and the recovery of waste matter. The shift of emphasis in nuclear research will detract from the acuteness of the "brain drain" problem now being so noisily and unceremoniously discussed in the West (as if there has been no "brain drain" from the US to Israel, and from France to Iraq).

In the long run, after Russia has emerged from crisis, regained self-confidence and might wish to restore its nuclear status (a prospect which cannot be ruled out), a high scientific and technological potential will enable it to do that. Though it would be better off without such a status. [Begin boxed material]

Yeltsin's package

Unilateral moves

- an end to the production of the Tu-160 and Tu-95MS heavy bombers (of which 15 and 84, respectively, are now operational);

- an end to the production of long-range air- and sea-based cruise missiles (of which 800 and 240, respectively, are now operational);

a 33 percent cut in sea-based tactical nuclear weapons, a 50 percent cut in anti-aircraft missile warheads, a 50 percent cut in aircraft tactical nuclear ammunition.

The following reciprocal moves are suggested:

- an end to the air-based cruise missile development programme;

- the elimination of all the sea-based cruise missiles (of which the CIS now has 240, and the US, 365);

- a stop to missile-submarine combat patrolling;

- a cut in the number of self-homing shell warheads to 2,000-2,500;

- withdrawal of tactical nuclear weapons from combat units and placing them in a centralized depot;

- abolition of antisatellite weapons systems. [box closes] [Begin new box]

War budget cuts

CIS: in 1990-91 - by 20 percent (including a 30 percent cut in arms purchase spending);

in 1992 - by 10 percent (including 50 percent on arms purchase spending).

USA: in 1992-96 - by 50 billion dollars;

by 1997 - by 30 percent as compared with 1990. [box closes] [Begin new box]

Bush's proposals

Unilateral moves:

- a cut in the B-2 bomber purchase programme to 20 instead of 75;

- a stop in the development of the Midgetman ICBM (200-300 missiles were to be deployed);

- an end to the production of the W-88 warheads for the Trident D5 submarine-launched ballistic missiles (96 missiles with eight warheads each have been deployed on board four ballistic missile-carrying nuclear-powered submarines);

- a stop after 1992 to the purchase of cruise missiles (there will be 640 of them instead of 1,000).

The following reciprocal moves are suggested (provided the CIS eliminates its MIRVed ICBMs - 744 missiles and 5,958 warheads):

- elimination of the Peacekeeper ICBMs (50 missiles and 500 warheads);

- making the Minuteman ICBMs monoblock (elimination of 1,000 warheads);

- a cut in the number of warheads of submarine-launched ballistic missiles by 33 percent (elimination of 1,700 units);

- a conversion of a substantial proportion of strategic bombers into non-nuclear ones. [end boxed material]

Plans To Destroy Chemical Weapons Revealed

MK0503122692 Moscow NEZAVISIMAYA GAZETA in Russian 5 Mar 92 p 6

[Yuriy Meshkov report: "Will Nuclear Explosions Be Heard? There Are Plans To Use Them To Destroy Chemical Weapons"]

[Text] President Yeltsin's trip to the closed city of Arzamas-16 attracted particular attention from foreign observers. The concerns of recent months are associated precisely with this city and the Experimental Physics Scientific Research Institute there. "How far may the Russians go in their desire to earn hard currency?" is a

question that is being asked increasingly often in connection with the nuclear conversion planned in our country.

Shortly before Yeltsin's visit to Arzamas-16 Moscow was visited by representatives of the legendary nuclear center. At a seminar organized by the Center for Independent Environmental Programs at the Russian Ministry of Environment and Natural Resources, they disclosed plans for eliminating chemical weapons by means of... nuclear explosions.

In a lengthy report Aleksandr Chernyshov, deputy director of the Experimental Physics Scientific Research Institute, tried to convince the audience of specialists, and also representatives of the antinuclear movement and environmentalists that the proposed technique for destroying highly poisonous toxins is absolutely harmless. However, existing experience of underground nuclear explosions makes it impossible to rule out the likelihood of radioactive and chemical contamination of the environment. A representative of Arzamas-16 who had come to Moscow, speaking outside the program of the meeting, so to speak, declared that "nuclear technologies are particularly dangerous in a country that does not think it necessary to construct public toilets and keep them clean. The country could not stand another Chernobyl..."

However, the authors of the plan are prepared to carry out an experiment as early as this spring by blowing up 20 tonnes of toxins packaged in containers. Only the nuclear moratorium for 1992 imposed by Yeltsin is keeping the military-industrial complex specialists from their planned explosions at the Novaya Zemlya test site.

Aleksandr Chernyshov reported that 40,000 tonnes of Russian [otechestvenyy] chemical munitions have to be destroyed. This can be done with just three nuclear blasts. However, according to Chernyshov, in fact about 10 explosions are planned.

Another fact that is causing some concern is the creation of the "Chetek" international closed joint-stock company with capital of 302 million rubles, whose shareholders include the Experimental Physics Scientific Research Institute. "Chetek" also has a subsidiary in Hamburg. The "Chetek" joint-stock company has been given exclusive rights to commercial use of the technology for destroying and burying chemical and nuclear waste by the method of thermal breakdown and vaporization in an underground nuclear explosion.

There is no certainty that, once the noble mission of ridding us of our own chemical weapons has been completed, international nuclear and chemical waste collected by the "Chetek" joint-stock company from all over the world will not pour into the Novaya Zemlya test site. For instance, in the West it costs $100 to destroy 1 kilogram of highly toxic waste. As for our businessmen, they simply cannot get used to gambling on lowering prices...

In offering this way of getting rid of weapons of mass destruction, the military-industrial complex has its own interests; the same old explosions, the same old large numbers of personnel to prepare and stage them, the same old secrecy and therefore absence of controls...

In the very near future the Socio-Environmental Union Center for Independent Environmental Programs intends to hold another meeting for interested specialists and representatives of the green movement in order to discuss alternative plans.

Chemical Agents Confined to Russian Territory

LD0403233592 Moscow Radio Moscow World Service in English 1810 GMT 4 Mar 92

[Text] Media recently reported that there could be incidents involving chemical agents in Transcaucasus especially in the zone of the conflict between Armenia and Azerbaijan. Now Gen. Igor Yevstafyev, a deputy chief of the chemical troops of the CIS Combined Armed Forces, comments on these reports, the source of which is kept secret:

Unlike nuclear weapons which are on the territory of a number of our former republics, all Soviet chemical agents are on the territory of one republic—Russia.

And here is information from the Russian Foreign Ministry. The Minister's adviser Gen. Geliy Batenin says:

Chemical agents are all on the territory of Russia now. Their reserves are estimated differently—roughly 50,000 tonnes of poison chemicals.

As our observer has found out, the primary storage facilities are in the Saratov region and in Udmurtiya. However, the production of chemical weapons was underway in several republics, but was terminated back in 1987. What could then inspire fears?

Gen. Yevstafyev provides the following considerations: Firstly, some units involved in a conflict might have some irritants which are not chemical agents by international standards. Belligerence could have obtained such weapons abroad, the General believes, since there are no irritants in regular troops [as heard]. However, chemical defense units have chloropicrin that could have been yet another possible reason for rumors about chemical weapons in the areas of tension. In the meantime, chloropicrin is safe, being discharged even by tonnes, Gen. Yevstafyev said, it could only irritate eyes. It's used by troops for so-called smoking of gas masks, to imitate an aggressive environment to check [words indistinct].

Such are purely hypothetical causes of fears about possible incidents with chemical agents in the conflict zones across the former USSR, however, experts believe there are no real grounds for anxiety.

Velikhov on 'Unfounded' Fears of 'Brain Drain'

PM0303164792 Moscow ROSSIYSKAYA GAZETA in Russian 3 Mar 92 First Edition p 7

[ITAR-TASS report under "Opinion" rubric: "On Problems of the Brain Drain and the Nuclear Power Industry"]

[Text] "Politicians' fears that our scientists in the Near East are working on the creation of nuclear weapons are unfounded," Academician Yevgeniy Velikhov, director of the Russian Kurchatov Institute scientific center, told your ITAR-TASS correspondent. "There are actually several hundred of our scientists working there under contract, but these are quite low-level specialists."

The task now is to redirect the activity of specialists connected with the development and creation of nuclear and chemical weapons and their delivery systems, the scientist stressed. That is why the International Scientific and Technical Center for the Support of Nuclear Scientists is being created. In March the center's charter is to be adopted and its coordinating council elected.

We have just as many concerns over the peaceful use of atomic power, the academician noted. One of the main concerns is to increase the security of nuclear power stations. There is concern over the decision to resume the operation of the Armenian nuclear power station as there are no guarantees of its complete security. There is also the acute question of rehabilitating areas contaminated by installations previously closed down.

Special attention should be paid to space research, too. Until recently our civilian space program was the poor relation of the military space program. It is annoying to receive less than is possible from our space achievements, given its enormous potential. I hope that the decree on the creation of the "Cosmic Russia" agency will rectify the situation.

Samsonov Cited on Visits to PRC, DPRK

PM0403160192 Moscow IZVESTIYA in Russian 4 Mar 92 Morning Edition p 6

[Report by Yuriy Savenkov and Vladimir Skosyrev, incorporating remarks by Colonel General V. Samsonov, chief of the CIS Joint Armed Forces' General Staff; date not given: "The Chinese Will Fly Su-27's; Results of the Visit by Chief of the CIS General Staff to Beijing"]

[Text] The time when Soviet and Chinese Army chiefs regarded each other across the 7,000-kilometer-long border as potential enemies is past.

The fact that the CIS will be delivering 24 Su-27 fighter-interceptors to China in 1992 and 1993 is indicative of the changes which are altering beyond recognition the geopolitical map of Asia. An exchange of delegations between our General Staff Academy and the Chinese Academy of Military Sciences is planned. Chinese military specialists will continue studying at the Krasnodar Aviation School.

These accords were reached in Beijing during the visit to the PRC by Colonel General V. Samsonov, chief of the CIS Joint Armed Forces' General Staff. The general met with Jiang Zemin, general secretary of the CPC Central Committee and chairman of the PRC Central Military Commission, and the high command of the Chinese People's Liberation Army [CPLA]. In conversation with the IZVESTIYA correspondent in Beijing Samsonov stressed that both sides are interested in developing ties in the military sphere.

"It is only natural," Samsonov pointed out, "that the CPLA command should keep a close watch on what is happening with our Armed Forces and how relations between the states of the CIS and its former potential enemies in the West are changing. The Chinese are wondering: If there is no enemy there, how will the CIS conduct itself in the East."

"These are legitimate questions. But the answers to them are being given not just in words, but by specific actions in the interests of building confidence taken by our side. The withdrawal of troops from Mongolia is being completed—60,000 personnel, thousands of tanks and guns, and around 350 combat planes and helicopters. Twelve divisions—more than 200,000 servicemen—have been unilaterally cut in the Far East.

"But friendship is one thing," considers Samsonov, "however, we must also think about security and state interests, and consequently about 'parity.'" He implied that the way China responds to these initiatives is not a matter of indifference to us.

The chief of the General Staff delivered a lecture to officers at the Academy of Military Sciences in which he endeavored to be frank ("We were shut off from one another for decades, we must find a common language"). He related what had happened at the meeting of CIS leaders in Minsk. Certain key questions were resolved there: the creation of strategic deterrent forces and the Joint Armed Forces. "So I was able to tell the Chinese who exactly I am and whom I represent"—joked the general. The chief of the General Staff talked about military doctrine and the thrust of military organizational development. The lecture aroused keen interest and he was asked to leave a copy of the text for careful study.

It is clear that in present conditions, where the ideological factor no longer determines the nature of Soviet-Chinese relations, it is extremely important for the development of ties in the military sphere to define the form of mutual settlements. According to Samsonov, China would like to obtain not just Su-27 aircraft, but other kinds of armaments of ours too—for the ground troops, air defense, and Air Force, including transport aviation, plus electronics equipment.

What are the Chinese considering paying with? Basically, hard currency, but part will be paid for by the barter of consumer goods. "The receipts will be paid into the state treasury, partly going on defense needs, above all social programs for servicemen," the general explained.

Samsonov and his delegation left for Pyongyang on 2 March. He dsecribed the aims of the visit there with military concision: "We will meet, discuss, sign—and leave." This involves an agreement on military-technical cooperation with the DPRK, a draft of which has already been drawn up by experts.

Yes, the continuation of military ties with a neighbor is undoubtedly desirable. But, I think, you do not have to be a prophet to predict that the talks with the leaders of North Korea will not be easy: After all, in past years the DPRK was able to create a powerful military potential which to this day intimidates Seoul, Tokyo, and—even to a certain extent—Washington, with help from the USSR that was to a considerable extent free of charge. Despite the recent accords between the governments of North and South Korea, the nuclear program being carried out by Pyongyang remains an unknown quantity. It is contended in the West that Pyongyang is close to creating an atomic weapon.

That is why it is time to look at our military ties with the state anew. It is necessary to make the ties mutually beneficial and open in nature so that the DPRK, whatever its internal regime, can join in the detente processes which have embraced the Far East region.

Military Documents Signed With DPRK

LD0403160192 Moscow Russian Television Network in Russian 1100 GMT 4 Mar 92

[From the "Vesti" newscast]

[Text] Representatives of the DPRK and the CIS have signed documents in Pyongyang on military cooperation and arms trade for 1992-93. The CIS delegation was received by Kim Il-song.

Russia, Belarus on Troops at CFE Talks

LD0103124292 Moscow TASS International Service in Russian 1402 GMT 27 Feb 92

[By ITAR-TASS correspondent Vladimir Smelov]

[Text] Vienna, 27 Feb (TASS)—The clauses on assessing troop strength are to be an important element in a future agreement on the armed forces of the European countries from the Atlantic to the Urals. They were at the center of attention of today's plenary session at the Vienna talks on conventional forces in Europe.

Those attending the forum discussed draft clauses proposed by the delegations of Canada, France, Germany, and Britain, as well as a document on the subject submitted today by the delegations of the CSFR, Hungary, and Poland. They are characterized by agreement on at least three fundamental approaches.

First, it is not disputed that the concept of "verification" in its traditional "hardline" sense cannot be applied to manpower. One can only speak of an approximate appraisal of the observance of national maximum troop levels that must not be exceeded. Second, it is assumed that a system of manpower assessment must be built into the existing framework of the Treaty on Conventional Forces in Europe; specifically, its protocol on inspections. Third, it is intended that assessment should not create additional financial or organizational difficulties for any of the participating states.

At the same time, in both proposals, and primarily in the "document of the three," there are a number of elements that cause serious doubts. Such feelings, Vladimir Shustov, the head of the Russian Federation's delegation, said in a conversation with an ITAR-TASS correspondent, are generated primarily by attempts to "strengthen" the treaty's inspection regime that actually make it more complicated and ultimately undermine the vital principles that have been agreed upon.

The proposal about the access of inspectors [kontrolery] to all installations in an inspection area is hardly justified either. The Treaty on Conventional Forces in Europe contains quite definite and carefully considered restrictions on the subject, and there is no reason to abandon them. The wish to assess manpower numbers in units that are not subject to restrictions under the future treaty is absolutely inexplicable, the diplomat pointed out.

Seeking to bring closer together the approaches of the various participants in the talks on the problem of manpower assessment, the delegations of Russia and Belarus today submitted a working document reflecting their viewpoint on the subject. Its essence boils down to the fact that it is essential to stick as closely as possible to the accords reached earlier. One cannot encompass the unencompassable and carry out a head count of all people in uniform.

So Russia and Belarus believe, proceeding from the selective verification concept contained in the Treaty on Conventional Forces, that assessment is to be applied to the personnel of those formations and units that have at their disposal weapons and equipment restricted by the treaty and that are, accordingly, subject to verification. Such an approach enables one to be sure, with a sufficient degree of reliability and without unnecessary delay, that national manpower restriction levels are being observed.

Need for Joint CIS Foreign Policy Viewed

PM0403141192 Moscow PRAVDA in Russian 3 Mar 92 pp 1, 3

[Article by Anatoliy Karpychev: "Rich Countries Dream of 'Nearby Foreign Places'"]

[Excerpts] This past February the CIS leaders' diplomatic "carousel" drew attention to itself. Many of these leaders are taking their first steps in foreign policy. As, indeed, foreign policy is taking its first steps in the independent states. [passage omitted]

What do we have?

Each independent state is performing with pleasure today its "solo role" in foreign policy. But despite the commonality of the acute domestic problems which largely determine behavior in the international arena, there is no "choral singing."

After its "solo numbers" Russia may again, as in the 17th century, remain without a broad outlet to Europe because the Western border region now belongs to Ukraine and its neighbors. I fear that the Russians will have to return to the window on Europe hacked out by Peter I. Much here depends on how Ukrainian politicians treat the Commonwealth in the future. If it is viewed as a temporary institution to record the "divorce proceedings" of the former republics, then we must expect complications, for which Russia's diplomats should be ready. Especially as voices are being heard in Ukraine claiming that after union property has been divided it may turn its back on Russia.

Since that is so, it is obvious that no single diplomatic area can be predicted in the foreseeable future. It is a pity. The civilized EC, whose example is cited by Presidents Yeltsin, Kravchuk, and others, does not shirk coordinated actions in foreign policy. In the Commonwealth there are councils of heads of state and government and a council of defense ministers but why not take a serious look at the question of a council of foreign ministers? I have been told that they want to meet. They did meet in early January—there was even a brief report on the subject. Now is the time to create a council within the framework of the Commonwealth. It will not be superfluous, on the contrary it could become a good aid and avert clashes of interests and the ordinary misunderstandings that hamper matters.

The first steps of the independent states in foreign policy attest that this policy is so far developing on the basis of the "symmetry" principle: The strong nuclear states are

making contacts with the strong; the small states are drawn to their neighbors, grouping on a European or Asian salient.

Domestic "foreign policy" has so far been relegated to the background although it would seem to be regarded as the main priority. Obviously not all the presidents are confident that the Commonwealth will stand the test of time. And therefore, anticipating this, the presidents and other officials are traveling all over the world in order prudently to win support not from nearby foreign places but from far away.

Turkey on Planes Bound for Azerbaijan, Armenia

LD0303220692 Moscow TASS in English 1112 GMT 3 Mar 92

[Text] Ankara, March 3 TASS—The Turkish Foreign Ministry announced on Monday [2 March] that planes bound for Azerbaijan and Armenia will be alowed use Turkish airspace only after their cargo has been examined in Turkish airports.

The decision is in line with a resolution, endorsed last week by the CSCE, the ministry said. The CSCE forum called for an embargo on arms supplies to Azerbaijan and Armenia, confronting each other in Nagorno-Karabakh.

On Sunday, Turkish Prime Minister Suleyman Demirel said his country will take any necessary diplomatic efforts to end the bloodshed in Nagorno-Karabakh.

Swedish Government To Render Aid to CIS

LD2802134892 Moscow TASS in English 2302 GMT 27 Feb 92

[By ITAR-TASS correspondent Dmitriy Gorokhov]

[Text] Stockholm, February 28 TASS—The Swedish Government decided to assign 46 million crowns for rendering humanitarian aid to the CIS, according to the press service of the Swedish Foreign Ministry.

20 million crowns are intended for financing the deliveries of medicines and food products to the Russian Federation through the channels of Swedish public organisations. This part of aid, as was arranged with the Russian Government, will be given to the poorest groups of population.

Other countries of the Commonwealth will receive humanitarian aid valued at 26 million Swedish crowns. These deliveries, mostly medicines and medical preparations, will be carried out by the National Society of the Red Cross. They will be sent to children's institutions and homes for the aged.

Earlier in accordance with the agreement between Prime Minister Carl Bildt and St. Petersburg Mayor Anatoliy Sobchak, the Swedish Government assigned 15 million crowns to render urgent aid to the population of the city on the Neva River.

Nordic Council To Help Baltic States

LD0503001192 Moscow TASS in English 2105 GMT 4 Mar 92

[By ITAR-TASS correspondent Arkadiy Prisyazhniy]

[Text] Helsinki, March 4 TASS—Finance ministers of Denmark, Iceland, Norway, Sweden and Finland, taking part in the 40th session of the Nordic Council, signed on Wednesday [4 March] an agreement on a single investment programme in Latvia, Lithuania and Estonia.

Under the agreement, these countries will invest a total of 105 million ECUs in capitals and technical assistance to reorganise medium and small-size businesses in Baltic states in the next three years.

The Nordic countries also plan to enlist the support of their national investment banks in order to give additional aid to the Baltic states.

Significance of Taiwan Aid Shipments Eyed

PM0403115792 Moscow IZVESTIYA in Russian 29 Feb 92 Morning Edition p 6

[Sergey Agafonov report: "Taiwan Ships Make for Vladivostok, While Airplanes Will Fly to Kiev"]

[Text] Tokyo—At the decision of the Republic of China (that is Taiwan's official name) Cabinet of Ministers, aid earmarked for Russia, Ukraine, and other former USSR republics will start being delivered at the beginning of March.

IZVESTIYA has already talked about Taipei's proposal to send 100,000 tonnes of rice to the CIS countries. The proposal has been mulled over fairly intensively in recent weeks, resulting in a specific plan for the deliveries being confirmed a few days ago. In accordance with this plan, the first ship containing 10,000 tonnes of rice will leave the shores of Taiwan for Vladivostok 8 March, and then in April and May, aid from Taiwan will be dispatched to Russian ports on the Black Sea, primarily Novorossiysk.

The delivery will be made by ships flying the Taiwan flag—this is a key detail here and will undoubtedly evoke political comment not just in Beijing but also in neighboring countries. The humanitarian mission will "open up" future lines of transport communications for Taiwan and will thus remove one of the serious obstacles to the development of trade and economic relations with the former Union.

However, this matter is not restricted to maritime communications. During talks with Ukraine, informed sources explain, Kiev refused the "gift of rice," preferring medical assistance instead. Taipei has accommodated Ukraine's wishes.

According to available information, the timetable for deliveries was drawn up last week in Taipei, and in accordance with this the first trips to deliver the Taiwan

cargo—decorated with stickers depicting Ukrainian and Republic of China flags and inscriptions saying "From the Friendly Chinese Republic"—will start at the end of March. The deliveries will be made by airplanes of the Taiwan aviation company along the Taipei-Kiev route, via Southeast Asia and the Near East.

Bearing in mind the dynamics of Taiwan's advancement onto one-sixth of the earth's dry land formerly known as the USSR, both of these circumstances look highly significant. In the past few months Taipei has established ties with the Baltic countries, made great progress in contacts with Russia, Ukraine, and Belarus, and received guests from Kazakhstan and a number of other CIS states.

Taipei is pleased with its new partners. Furthermore, it is not just businessmen who are pleased but politicians too.

West Seeking To Help CIS Banking System

PM0303115192 Moscow IZVESTIYA in Russian 2 Mar 92 Morning Edition p 1

[Report by Ivan Zhagel: "Western Investors Want To Play for Big Stakes According to the Usual Rules"]

[Text] There was a meeting in Moscow 28 February between representatives of international financial organizations—including the World Bank, the European Bank for Reconstruction and Development, the EC Commission, and the British Know-How Foundation—with the leaders of Russian commercial banks at which the problems of implementing foreign investments through the banking sector were discussed.

Needless to say, Western investors no longer want to play for big stakes with our government. This particularly applies to private financial companies and banks. Unfortunate past experience shows that previous credits have been gobbled up, invested in low-efficiency projects incapable of providing a return and bringing about an economic revival. Obviously, fundamentally new investment channels are needed now, and a reformed banking system in Russia and the other CIS countries could play an important part in this.

In principle, it was noted at the meeting, there are two possible ways of financing the economy. The first of them envisages granting credits to a particular country's central banks. But in this case there are rigorous conditions governing the transfer of this money to commercial banks. In particular, the World Bank did that in Poland.

However, according to World Bank representative M. Gould [name as transliterated], this scheme is rather complex and does not always bear fruit. Particularly as private finance companies often do not like it. Direct cooperation with commercial banks is much more attractive, although it does create other, no less complex problems.

The thing is that at the moment commercial banks in the CIS countries are not yet operating in accordance with the principles accepted in the West. Many of them have a very inadequate credit record. The banks' reporting of accounts is different too, making them opaque, as it were, as far as creditors and customers are concerned. All this frightens off foreign investors. So international financial organizations now see it as their job to use the resources they possess not for direct investment in the Commonwealth countries but for the creation of qualitatively new banks, which is the only way to turn the process of the influx of capital into a long-term and sufficiently powerful one.

The creation of a modern system of interbank payments and transactions, which is what is most inhibiting the banks' activities, was named as one of the top priorities in this aid program. Enormous attention will also be paid to cadre training. For instance, an international school of finance and banking is currently being set up in Moscow. There will be a similar project in St. Petersburg.

Moreover, all the aforementioned international financial organizations are participating in the creation in Moscow of a so-called Bank for Development and Project Funding, which could be an example for everyone. The main sponsor here is the EC Commission, which has allocated 7 million ECU's for the training of bank specialists and for the elaboration of its program. Some other projects are also being prepared for the development of the CIS banking system.

Former Soviet Republics To Join European Bank

LD2802125892 Moscow TASS in English 1542 GMT 27 Feb 92

[By ITAR-TASS correspondent Rostislav Gertsev]

[Text] London, February 27 TASS—Eleven republics of the former Soviet Union—Armenia, Azerbaijan, Belarus, Kazakhstan, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan—expressed their wish to become members of the European Bank for Reconstruction and Development (EBRD), according to an official document issued by the EBRD on Wednesday [4 March]. On the same day the council of directors of the bank suggested that the board should consider how to distribute the EBRD shares, which earlier belonged to the Soviet Union. The total number of shares should not exceed 60,000—the exact quantity of shares possessed by the former USSR. The Council of Directors recommended to distribute the bank shares among the Commonwealth States as follows: the Russian Federation—40,000 shares, Ukraine—4,000, Kazakhstan—2,300, Uzbekistan—2,100, Belarus—2,000, Azerbaijan, Kyrgyzstan and Tajikistan—1,000 each, Moldova—600, Armenia—500 and Turkmenistan—100 shares. The rest of the shares will remain undistributed for the time being. "It is a very important day for the bank. We expect now, if everything goes smoothly, that all these countries will take part in the first annual meeting of the EBRD member states, scheduled for April 13 and 14 in Budapest,"

president of the EBRD Jacques Attali said after the meeting of the council of directors.

Agents Tout Value of Industrial Espionage

PM0203110592 Moscow PRAVDA in Russian 28 Feb 92 pp 1, 3

[Aleksandr Chernyak article: "We Have No Spies Here. There Are Intelligence Officers, Say These Unnamed People"]

[Excerpts] My subject is industrial espionage. The two trades of business and espionage go back a very long way. As soon as one man learned how to do something better than the next man and began to be well rewarded for it, his rival, to avoid being left behind, tried every means he could to find out how the other one did it. The annals of history contain quite a few examples of secret-hunting of this kind. [passage omitted]

Officially, however, all our departments either repudiate every case which is publicized or maintain a deep silence, saying that its nothing to do with us, we know nothing about it. Here is the latest example. Few newspapers, even in the era of unlimited glasnost, carried the REUTER report published 10 February this year. Among other things the report said: "The leader of an industrial espionage network exposed in 1990 in Italy, a citizen of the former USSR, has been released by the Italians and allowed to leave the country. The man in question, who had about two dozen Italians working for him, has not been named."

After reading this report I asked the appropriate agencies in our country to comment on it. But at subunits of the former KGB and the Main Intelligence Directorate of the Armed Forces I heard the same reply: "We know nothing about this." [passage omitted]

I really wanted to talk with a representative of the espionage profession. A meeting took place. I actually met with two intelligence professionals. For obvious reasons I am not going to mention their surnames. They have different tasks. One man, let us call him Aleksey, works in technical intelligence systems. He grew up in an ordinary family, he is charming and educated, he is a graduate of three higher education institutions, and knows several languages.

"The romantic element was by no means the least important factor in my choice of profession," Aleksey remarked. "But it was not the only one. The work is interesting. It is difficult and unusual work which is of great benefit to people. After all, when one person knows how to do something better than another and does not want to share it with others, he slows social development. My job is not just to find out the secret but place it at the service of many people."

"How is this done?"

"Well, I could spend a whole day answering that question. It is a complete science. The modern level of intelligence work makes it possible to obtain virtually any kind of information. Evidence of the truly limitless possibilities is provided, for example, by the scandal which erupted over the Japanese company (Nagoya-Viner). Its rivals needed information about its financial state. They tried every method, but it proved fruitless. Then the company's chief accountant got a toothache. The interested party bribed the dentist, who inserted in the filling a miniaturized radio transmitter which relayed everything which was said at the (Nagoya-Viner) accounts department.

"There is a whole system for eavesdropping on conversations in official departments and embassies. Everyone makes active use of it."

"Including us?"

"Of course. Admittedly, V. Bakatin really let us down when he revealed our secrets to the Americans. There are laser devices which use the vibration of window panes to relay the content of conversations over a distance of 0.5 km. You can get information from a computer while you are outside in your car.

"There are thousands of means of obtaining information..."

Aleksandr is also an old hand at the intelligence game. He has worked for a number of years in the most developed countries.

He rose through the ranks of the profession and consequently he must have earned his keep.

"I agreed to meet with a correspondent simply because I wanted to talk about what is really bothering me. Today my colleagues, including the leaders, have lost control of their tongues and are blabbing about everything with no thought for conscience or honor. Meanwhile the situation in the intelligence service is critical—the service is collapsing completely. Whereas before the information that we obtained supported our country's industry at a fairly good level, now the branch that we are sitting on has been well and truly cut from underneath us.

"In the former KGB," he said, "there was a well-established structure—the fourth department of Directorate 'T' of the First Main Directorate. This was a coordinating organ. People working there gathered all the requisite information. All requests went to the department, they were summarized and transmitted to the agents who carried out the tasks. If intelligence agents found something valuable which they had not been asked for they could also send that to Moscow for analysis. Payment was by results."

Now the links with the former republics have been virtually broken, and with the sectors, too. People are having to find their own clients now.

"One more point. Separating intelligence from counterintelligence was the right thing to do, but when it came to helping colleagues I had to be a jack-of-all-trades. On

foreign assignments I not only gathered scientific and technical information, I also had to keep my fellow countrymen under surveillance. In our ranks there were quite a few milksops who were no use to man nor beast. They went abroad for their own pleasure.

"As for my profession, I am proud of it. If you work out everything that we intelligence officers have done for the fatherland, I think you will find that the profit is far greater than that of scientific research institutes. So judge for yourself."

...Business and intelligence work. These two professions are always side by side. Today they are becoming closer and closer to one another.

Military

Shaposhkikov Urges States Show 'Political Will'

LD0503091992 Moscow TASS in English 0852 GMT 5 Mar 92

[By ITAR-TASS correspondent Yuriy Kirilchenko]

[Text] New York March 5 TASS—Yevgeniy Shaposhnikov, commander in chief of the Commonwealth Armed Forces, warned on Wednesday [4 March] that events in the Nagorno-Karabakh region may develop into a situation similar to that in Yugoslavia.

In an interview with the U.S. CNN Network, Shaposhnikov urged the heads of Commonwealth states to show political will to "settle the Karabakh problem by political means".

He also proposed to create Commonwealth peacekeeping forces which could be used to disengage the warring sides in trouble spots and ensure political solutions to conflicts.

Commenting on his decision to withdraw the 366th Motorised Rifle Regiment from the region, Shaposhnikov said the regiment "was not an effective stabilising factor" because "it became an apple of discord" between the warring sides.

Speaking on Commonwealth states' drive to create their own Armed Forces, Shaposhnikov said Ukraine has moved along this path further than other Commonwealth states because "the Ukrainian parliament and the president have been dealing with this issue since the end of August-the beginning of September".

He said Ukraine has almost completed the creation of its conventional forces, except strategic troops and described the move as an interior affair of Ukraine.

However, he criticised Ukraine for its decision to introduce its own military oath of allegiance.

He assured the world that the nuclear arsenals of the former Soviet Union are under proper control, including "every shell, mine, bomb and missile". He said nuclear weapons are being withdrawn to Russia from other Commonwealth states in accordance with the schedule, adding the operation is expected to be completed by mid-summer.

He denounced attempts to use the Army as a political force and said "the Army and its interests should be beyond parties."

Five-Day Week Introduced

LD0403235692 Moscow POSTFACTUM in English 1756 GMT 4 Mar 92

[Text] An order of Yevgeny Shaposhnikov, commander in chief of the Armed Forces of the CIS, introduces a five-day week in the Army. This was told to PF [POSTFACTUM] by the workers of the anti-aircraft forces of the Privolzhsko-Uralsky military district.

Black Sea Fleet Admiral Meets Deputies

LD0503110492 Moscow Radio Rossii Network in Russian 1000 GMT 5 Mar 92

[Text] Talks on the Black Sea Fleet have ended in Sevastopol. They were held by Ukrainian Supreme Soviet deputies and Admiral Kasatonov, commander of the Black Sea Fleet. This was reported by the NEGA news agency. Problems of cooperation between the republic and the Fleet, particularly with regard to food supplies for the sailors, were discussed. According to Aleksandr Kruglov, a Sevastopol City Soviet deputy, Ukraine has blocked deliveries of food to Sevastopol and the Fleet. He also said the Ukrainian Council of Ministers warned Sevastopol Mayor Ivan Yermakov in writing that until the problems of the Fleet have been resolved, the republic will not supply the sailors with food.

Military District Sends Appeal to Shaposhnikov

MK0503074392 St. Petersburg Teleradiokompaniya Petersburg Television Network in Russian 1835 GMT 2 Mar 92

[From the "600 Seconds" program presented by Aleksandr Nevzorov]

[Text] Now some news from 1 March. An officers' meeting was held at the officers' club. By an apparently strange coincidence everyone who mentioned this meeting, the first meeting of its kind in the Leningrad Military District by the way, did not notice that this was no ordinary meeting of officers. The commander of the Military District refused to take part in the officers' meeting. The meeting adopted an appeal to Commander in Chief Shaposhnikov. The appeal clearly stated that the Army is riddled with corruption, disarray, and squandering of military property. This was all illustrated with specific examples from the life of the Leningrad Military District. [video shows meeting in session]

Restationing of Baltic Units Protested

OW0503125192 Moscow INTERFAX in English 1034 GMT 5 Mar 92

[Transmitted via KYODO]

[Text] On Wednesday [4 March] representatives of the Officers' Assembly of the Leningrad Military District and the Leningrad Naval Base protested against the stationing of units withdrawn from the former Baltic Military District in Petersburg.

Their statement says that the unplanned increase in troops in the region paralyzes programs of the district command and base to supply officers with housing.

Besides, the transfer of new units to the area will cause a drop in the current compensation to officers and their families.

Shatalin on Interethnic Conflicts, Solutions

PM0403125992 Moscow KRASNAYA ZVEZDA in Russian 3 Mar 92 p 2

[Interview with Colonel General Yu. Shatalin by Major A. Petrov; place and date not given: "We Carry Out Orders. And We Have No Rights"—first paragraph is biographical information "From KRASNAYA ZVEZDA's Files"]

[Text] Colonel General Yuriy Vasilyevich Shatalin was born in Dmitrov near Moscow in 1934. He is Russian. He was educated at military college, the M.V. Frunze Military Academy, and the General Staff Military Academy. He was commissioned in 1957. It was 21 years later, while serving as commander of a motorized rifle division, that he received his first general's star. He was the first man into Afghanistan with his division. He commanded an army in the Transcaucasus. From December 1986 through September 1991 he commanded the USSR Ministry of Internal Affairs' Internal Troops. He is currently first deputy commander in chief of the Border Guards.

[Petrov] You are still considered by the internal troops to be the number one specialist in "hot spots." What conclusions have you drawn from taking part in settling interethnic conflicts?

[Shatalin] An extended presence by troops in any region leads to nothing good—that is probably the most important conclusion. Nagorno-Karabakh is conclusive confirmation of that. We have been "bogged down" there for almost four long years. And we have achieved nothing as a result. The main method for restoring order in areas of interethnic conflict should be politics rather than coercion. Representatives of power should approach the people, explain the situation, and find ways to reconcile opposing parties. If troops stay behind—and practice shows that they would stay several months—the politicians would have an insuperable desire to shift the resolution of their problems onto the military.

The troops should create the conditions for the peacemaking activities of politicians—and then leave. Just as was the case during the Fergana, Dushanbe, and Abkhazia events. We stayed there a short time and then left. The authorities themselves continued to restore order. Life forced them into it.

Of course, the troops are like a stone wall. They protect themselves from enraged mobs. And they have considerable diplomats who are able to talk to the people and reassure them. But if something goes wrong, they take the "flak" and are accused of not being effective or vigorous enough in their actions. And often the accusers can be found on both sides. Very convenient!

[Petrov] Has your "Afghan" experience proved useful in our homegrown "hot spots"?

[Shatalin] You see, the "Afghan" experience is very specific. The Afghan War and our interethnic conflicts are essentially different things. Although, thanks to Afghanistan, I could already foresee how the presence of the internal troops in Nagorno-Karabakh would end. Our stay in Afghanistan—we spent almost 10 years there—led to nothing. For the first three months the people supported us and greeted us with flowers on Afghan soil. Some of the mass media claim that we went in there fighting—that is completely untrue. All Afghanistan was witness to that, not to mention our 100,000-strong contingent. (In Nagorno-Karabakh too we were greeted with hope and with understanding of our lofty mission). This warm attitude to the "shuravi" [Afghan term for Soviet soldiers] remained until we started bombing strikes and carrying out raids in search of dushman detachments. This was instead of giving the Afghans the opportunity to decide for themselves the fate of their revolution, to decide for themselves the path they would take. We interfered in this. And the people turned their backs on us. We lost the people's support.

[Petrov] Does this mean that, if the troops had withdrawn from Nagorno-Karabakh in good time, events might have developed differently?

[Shatalin] That was a possibility. Whereas the Armenian side in the Nagorno-Karabakh Autonomous Oblast [NKAO] initially recognized no way of settling the Nagorno-Karabakh issue other than reunification with the Armenian SSR [Soviet Socialist Republic], at a certain stage compromise options emerged. For instance, placing the NKAO under the jurisdiction of the center.

I do not want to say that all the proposals were faultless or took equal account of both sides' interests. That is not the main thing. The main thing is that both the Armenian and Azerbaijani sides tried to reach agreement and meet each other halfway. That was when our leading politicians should have made their weighty contribution by supporting the desire for dialogue and reinforcing the success that had been achieved. They should have withdrawn the troops, thereby demonstrating that they were sure of reaching a peaceful, political solution to the Nagorno-Karabakh question and showing their faith in people's good will and reason. The politicians missed their chance. The troops stayed where they were.

[Petrov] Initially the military were quite successful in coping with their rescue mission of preventing the peoples from entering into open confrontation, but then the situation in Nagorno-Karabakh deteriorated sharply....

[Shatalin] This was largely promoted by the license shown by both sides with respect to their own armed groupings—virtually nobody has been brought to account for the crimes committed on interethnic grounds. If an Armenian committed such a crime, nobody would convict him. The picture was the same in Azerbaijan. For instance, we discovered the people

involved in the murder of Captain Osetrov and his subordinates and names were named. Were any of the culprits arrested? Were proceedings instituted? No. What about the attack on the sentry Lieutenant Tereshchenko? I was in Yerevan at the time. Everything happened before my very eyes. Were proceedings instituted against the culprit, did we know who had done it? Alas no!

This general lack of responsibility for the crimes committed and for the murders on interethnic grounds, and the protection of fellow-countrymen on both the Armenian and Azerbaijan sides is one of the reasons why the armed conflict has slid toward the abyss. And the center failed to be persistent about this and did not use its own resources to investigate.

[Petrov] The idea is now being expressed that the Armenia-Azerbaijan conflict is insoluble without Russia's participation. People are advising that the moment be chosen for CIS troops to be sent there once more— and volunteers only...

[Shatalin] But first we need to define the status of the troops in Nagorno-Karabakh. The most important thing is to ensure that they are there with the agreement of the Armenian and Azerbaijani leadership. That is a prerequisite. Yugoslavia is now giving us a graphic example of how to act. The UN leadership is saying that until there is a cease-fire in Croatia it will not send its troops in. And sending CIS or Russian troops into Nagorno-Karabakh before the internecine warfare there is over would once again mean futile casualties, and the tears of mothers, relatives, and friends who will not understand why their sons were killed. That is the first point. Second, the contingent should be made up solely of volunteers. And third, the decision to send the troops in should have the support of public opinion. We need only remember the criticism we came in for from the mass media—as if it was our own wish to send troops there. How many conflicts have we had on these grounds! In Nizhniy Novgorod people were even planning to institute criminal proceedings against General Dubinyak on the grounds that he had allegedly made the decision to send the Bogorodskiy Operational Regiment into Nagorno-Karabakh. But we do not have the right to do that! Even the minister of internal affairs does not have the right to do that. Such decisions can only be made by the top political leadership. We just carry them out.

[Petrov] But some people think that all these decisions are made at command level...

[Shatalin] Not at all. The fact that nobody gave us any written orders is another matter. After all, if something were to happen there would be no trace of the order. All instructions from above were given by phone.

[Petrov] Yuriy Vasilyevich, recent events show that Russia too has no guaranteed immunity against interethnic conflicts. Just what are the troops to do and how should they behave in the event of a "Russian Karabakh" emerging?

[Shatalin] I am pinning my hopes on people's good sense. People now realize what this could lead to. They are scared of it. This is a very important deterrent. In the past four years people have seen and heard a lot of not military but actual combat reports. To my mind, this is the main argument which will prevail. Even though individual conflicts are inevitable. Chechenya is evidence of that. It is the first warning buzzer. God forbid that the alarm bells should start ringing—that would mean tragedy.

[Petrov] Yuriy Vasilyevich, what can you say about our grouping of internal troops in South Ossetia?

[Shatalin] What grouping? There's just a single battalion there. I set it up. It will have been in existence for a year in March. Back then I told the officers that they would be replaced in a year's time. I believe that the battalion should be withdrawn. All the more so as there is a certain amount of mutual understanding in relations between Georgia and South Ossetia.

[Petrov] Is this the right time for the troops to be withdrawn?

[Shatalin] Yes it is. The right time to ensure that the Ossetian side also makes certain concessions. The right time to ensure that everyone trusts in their own good sense. And I have seen that the only salvation and way out of this very difficult situation is through talks rather than shows of force. The pressure from the Georgian side has abated now too—there has been a change of leadership there. Time was lost—this has been another NKAO and perhaps more in terms of its duration. Because, whether we like it or not, other forces will be drawn into the conflict. This is the time when leaders and politicians—on both the Ossetian and Georgian side—should show political farsightedness and good sense, because the future of the region depends on them.

[Petrov] How are you finding your new job? It seems that you have just "changed hats."

[Shatalin] To a certain extent I am still dealing with the same matters that I dealt with in the Internal Troops. You know what the situation is currently like on the Azerbaijani border. And how complex the situation is in the Baltic states, Moldova, and other areas.

[Petrov] Should we prepare for Russia's acquiring its own border guards?

[Shatalin] It all depends on the progress of negotiations among the CIS participants. But the creation of Russian border guards and the creation of external borders is also fraught with problems. We will not be able to draw the border in border areas—the population's blood ties there are too closely intertwined. And the people will not let us set up border signs. This matter will be decided not from above, by our leaders, but from below—by people living alongside each other. Separating them would be to cut them to the quick. They would simply throw out all border posts and other trappings of the border.

[Petrov] One last question. What can you say about the fate of the Internal Troops?

[Shatalin] I am afraid they might be turned into paramilitary security forces. We have become second-class citizens whom nobody needs. We are only needed when blood is being shed. Or when somewhere needs defending—either the motherland or someone's honor. Then people suddenly remember us and turn to us for help.

Officers Assemblies Council Chief Cited

PM0503110392 Moscow ROSSIYSKAYA GAZETA in Russian 4 Mar 92 First Edition p 6

[Article by Vladimir Zelentsov: "Alongside General Staff"]

[Text] In one week Captain First Rank Aleksandr Mochaykin says he lost four kilograms in weight. The assistant commander of the strategic missile submarine cruisers division for work with the personnel connects this with his work load in another post—he is chairman of the CIS Armed Forces Officers' Assemblies Coordinating Council.

This new formation, born under the vaults of the Kremlin Palace of Congresses 17 January at the demand of a noisy meeting, was greeted skeptically outside the Palace of Congresses. Although by a decree from Aviation Marshal Ye. Shaposhnikov the coordinating council and its provisional charter have been approved, deep in the former Defense Ministry some people are calling the council an amateur initiative and "the bacillus of democracy and parliamentarianism" in the army. The other side—the democratically minded officers—saw in the council a new structure in the pocket of the supreme command. Most likely it is neither one nor the other so far. But there are already grounds for doubts. In the fifth chapter of the provisional charter what is essentially an amateur organization of 126 men determined for itself that "the work of the council and its presidium is financed with funds allocated from the budget of the CIS Armed Forces as a separate item." It is true that not everything is that simple as regards finances. Having lost weight, the chairman has spent nearly 1,000 rubles out of his own pocket in the past few days on traveling from city to city on business relating to the council and on food and hotels. By present yardsticks that is not such a large sum, but nonetheless. Mochaykin and Captain First Rank Aleksandr Petrov, the council's cochairman, not concealing their regret, foresee that the Central Financial Administration will not be in any hurry to pay for the needs of the coordinating council. And the idea that five or six presidium members released from other work will live and work subsidized by officers' subscriptions is hanging in the air. And Aleksandr Mochaykin, who is so far working in the Navy Planning Staff, hopes that premises will be found for him closer to the CIS Armed Forces General Staff. The captain assures me this is not for selfish reasons but for the sake of the cause.

The 42-year-old officer is full of energy and plans to serve heart and soul the coordinating council—an organization born in general of the majority of officers' distrust in the CIS Armed Forces committee for work with the personnel headed by General Nikolay Stolyarov. Perhaps that is why the council's tasks and functions include the protection of the civil, socioeconomic, cultural, and personal rights and freedoms, honor, and dignity of servicemen and members of their families. But Aleksandr Mochaykin categorically denies the suggestion that in the long term the Officers' Assemblies Coordinating Council may become a kind of military trade union. Yet already the council's powers include: "...forming working, expert, and other groups, enlisting specialists to examine statements, complaints, letters, and proposals from servicemen, and preparing recommendations for the organs of power and administration and command within the procedure laid down by the law." But in the majority of cases the new laws for the army are still at the draft stage. Perhaps only Ukraine has not delayed in passing these laws...

Incidentally, about recommendations. On the eve of the meeting of the CIS heads of state in Minsk, the Officers' Assemblies Coordinating Council asked for and received the entire package of documents on military issued, which it was planned to sign 14 February. Recommendations were made for 13 documents. But, as we recall, only a very few of them were signed, but they included the agreement on social and legal guarantees for servicemen and men discharged from military service and members of their families. This document reflected the proposals of council members. To some extent this can be called their first small success.

"Our meeting with the presidents was very warm," recalls Captain First Rank Aleksandr Mochaykin. "There was a lot of smiling and we even joked...And if that warmth had been followed up by more specific decisions in determining the fate of the army and the men in shoulder boards...So far there are more declarations and well-intentioned promises."

The members of the council have already learned the meaning of diplomatic etiquette.

They say that hope is the last thing to die. And so we are now living for 20 March. Will talking get them anywhere? We shall wait and see whether new agreements are adopted or whether something similar will happen again. Like marking your own work.

Today the presidium of the Officers' Assemblies Coordinating Council headed by Aleksandr Mochaykin is preparing for a new round of talks. The work has begun, they have become involved. The council has received a flood of letters and telegrams and telephone calls. Ties are being set up with public organizations and contact with the committee for work with the personnel is being tentatively approached. Whichever way you turn, they are nonetheless kindred souls. There was a telephone call

recently from the former Main Military-Political Directorate of the USSR Armed Forces: "A telegram has arrived here addressed to you..."

Will the six of them cope?

Servicemen Prepare for Council Session

LD0403230492 Moscow POSTFACTUM in English 2045 GMT 4 Mar 92

[From the "Politics" section]

[Text] Moscow—On 11-12 March it is intended to hold in Moscow a session of the Coordination Council of Officer Conferences of the CIS Armed Forces to examine a package of documents drafted by the high command for the Kiev summit meeting. The apparatus of the high command of the CIS Unified Armed Forces reported to PF [POSTFACTUM] that the coordination council in its own name is planning to submit for the consideration of the CIS heads of states a draft of an intergovernmental agreement on social protection of servicemen liable to be discharged due to the slashing of the Armed Forces. The presidium of the coordination council argue that the Minsk agreement on this issue dated February 14th, determines just the general approaches and it is necessary to provide more specific guarantees to the servicemen being discharged of getting housing, pensions and a one-time monetary allowance.

Financial Matters Unsettled at Meeting

LD0303174192 Moscow Mayak Radio Network in Russian 1410 GMT 3 Mar 92

[Interview with Lieutenant General Leonid Grigoriyevich Ivashov, "head of the Directorate for the Affairs of the Joint Armed Forces", by correspondent Tatyana Chemodanova, on the 27-28 February CIS defense ministers conference in Moscow; place and date not given; from the "Panorama" program—recorded]

[Text] [Ivashov] The questions on the agenda are extremely topical: the question of what the Joint Armed Forces should comprise, what sort of coordination will there be with the armed forces of the states which are creating their own armies and what will be the principles for the organization of both these and the other armed forces. The commander in chief met representatives from the Transcaucasian republics, from the Azerbaijan Republic and the Republic of Armenia. The question of Nagorno-Karabakh was discussed. The question of the state of affairs around our military garrisons was discussed. It was probably as a result of this meeting that the commander in chief announced that the 366th Motorized Rifle Regiment will be withdrawn and that outposts will be removed, because it is already simply impossible for servicemen to be positioned on the line dividing the two sides. A political decision is necessary here.

Another regional issue was the question of the principles of control and of material and technical supplies to the troops stationed on the territory of Kazakhstan and the states of Central Asia. Uzbekistan is setting up its own armed forces. These matters also had to be sorted out.

In addition, the defense ministers or their representatives examined a package of documents that is being prepared on the instructions of the heads of states. We managed to agree on the ten main draft agreements. These are: matters of delimiting powers, something which was not done in Minsk; a provision or draft provision was coordinated at the level of military delegations on the high command; a draft agreement on the procedure for manning the armed forces and on army service was also agreed on and presented to the heads of states.

[Chemodanova] Leonid Grigoriyevich, was agreement reached on all issues?

[Ivashov] Unfortunately not. The vital question of financing the armed forces was discussed for a long time but no definite decision was reached. It was decided that examination of this matter should be passed on to a meeting of finance ministers of the Commonwealth states and subsequently to the heads of government.

'Anxiety' Expressed Over Treatment of Troops

LD0203231492 Riga Radio Riga Network in Latvian 1830 GMT 2 Mar 92

[Text] A news conference was given today by the Council of the Assembly of Officers of the Northwest Military Group. Journalists were informed about the meeting on 27 February, in which the commander of the Northwest Military Group, Colonel General Mironov, took part.

The main speakers at the news conference were Colonel Kandalovskiy, chairman of the council, and Lieutenant General Melnichuk, first deputy commander of the Northwest Military Group. They reported that at the meeting on 27 February the main decisions concerned the army's withdrawal from Baltic territory and the take-over of army property. In this connection, social guarantees are necessary to insure that the officers and soldiers displaced to new sites are provided with normal living conditions. All questions connected with the withdrawal of the army and the appropriation of its property must necessarily be settled in political talks between the governments of the Baltic states and Russia, which took the Northwest Military Group under its jurisdiction in January.

Anxiety was expressed at the news conference that the local mass media have in recent times severely criticized the Northwest Military Group stationed on the Baltic states' territory. There have even been cases of (?incitement) to steal weapons. For example, at the beginning of this year one submachine gun was stolen in Latvia and another in Estonia; however, compared with the Leningrad district, this was very good, because since October last year 25 submachine guns have been stolen there.

The representatives of the Northwest Military Group announced at the news conference that in their new places of deployment the officers will need 40,000 dwellings and that Russia will seriously start to address the questions of the withdrawal of the Northwest Military Group and the necessary social provisions after 1994, when the withdrawal of the former Soviet Army from German territory is completed.

Lieutenant General Melnichuk also informed journalists that the first subunits of the army will start to be withdrawn from Latvia this month; however, their planned new place of deployment is not yet completely ready. On the other hand, the first army unit is to be withdrawn from Lithuania tomorrow, and the delay from 25 February to 3 March is said to be due to the fact that the Lithuanian Government representatives asked for it to be postponed so that they themselves could take part in the solemn ceremony. Colonel General Mironov will also take part.

Lieutenant General Melnichuk also officially announced that no new military units or subunits will be brought into Latvia from other regions or from Germany. (?It may only be a question of) units with a few score soldiers. Melnichuk also stated that in his opinion it will be possible to withdraw soldiers of the Northwest Military Group over six or seven years, and that he too wishes it to take place sooner if possible; however it must take place in a civilized way, observing the interests of both sides. If relevant agreements are concluded, both the officers and the local inhabitants must be satisfied by them.

Social & Political

Poll Questions Economic, Living Standards

OW0503080292 Moscow INTERFAX in English 0532 GMT 5 Mar 92

[From "Viewpoint"; transmitted via KYODO]

[Text] Last January the National Public Opinion Studies Center took a survey among 989 respondents in Russia, 592 in Ukraine, 298 in Belarus, 167 in Georgia, 488 in Kazakhstan, 481 in Uzbekistan, the Data news agency reports. The respondents were asked how they assess the economic situation in their republics today. Here are the results:

	good	bad	critical
Russia	1	41	53
Ukraine	1	40	56
Belarus	less than 1	52	45
Estonia	1	46	48
Georgia	1	39	60
Kazakhstan	9	57	29
Uzbekistan	5	57	31

The poll shows the deepest pessimism in Georgia, Belarus, Ukraine and Russia.

Answers "have no opinion" omitted.

It is interesting to compare these answers with those in response to the question "How have your family's living standards changed lately?"

	improved	remained the same	worsened
Russia	11	16	70
Ukraine	11	19	67
Belarus	3	23	71
Estonia	19	17	62
Georgia	23	43	33
Kazakhstan	8	17	72
Uzbekistan	10	24	63

Answers "have no opinion" omitted.

The poll reveals that the most stable economic situations have been in recent months in Estonia and Uzbekistan.

A paradoxical situation has been created in Georgia where 99

of those polled described the economic situation as bad and even critical. At the same time they said their living standards had improved or remained the same. Experts say "the Georgian paradox" can be explained by insignificant or nonexistent dependence of citizens' well-being upon government actions.

Media

TASS Carries Press Review for 5 Mar

LD0503073392 Moscow TASS in English 0710 GMT 5 Mar 92

["Press Review"—TASS headline]

[Text] Moscow March 5 TASS—Today's newspapers focus on the situation in the Nagorno-Karabakh region of Azerbaijan and the Dnestr republic of Moldova.

The newspaper PRAVDA publishes an interview with Viktor Mikhailov, newly appointed Russian minister of nuclear power, in which he says that "not a single specialist working in the sphere of nuclear weapons has defected to another country."

The newspaper SOVETSKAYA ROSSIYA offers articles about current problems of nuclear physicists and nuclear power plant safety in the country.

The army newspaper KRASNAYA ZVEZDA analyses the NATO policy towards the Baltic states. It says NATO tries to dictate its military policy to the Baltic states as a prerequisite for Western economic assistance.

International Affairs

Churkin on Baker Visit, Arms Sales, Honecker

OW0403165092 Moscow INTERFAX in English 1609 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] On March 11, during Andrey Kozyrev's visit to Belgium which will be part of his upcoming European tour, the Russian and US foreign ministers will discuss preparations for Boris Yeltsin's visit to the US, scheduled for June 16 and 17, Russian Foreign Ministry's spokesman Vitaliy Churkin said at a briefing on Wednesday [4 March].

Vitaliy Churkin also denied reports concerning the Russian leaders' plans to sell arms to Taiwan. He said, however, that Russia will possibly sell arms to Cuba for hard currency.

Speaking about Erich Honecker's stay in Moscow, Vitaliy Churkin said that the attitude to him had not changed. "Russia stems from the belief that he is the Chilean ambassador's guest and that like all other citizens, he needs a passport, German in this case, to leave the embassy's premises. Erich Honecker had no such passport," he said. The status of the guest of the Chilean ambassador has its limits, he said and added that Erich Honecker's stay in hospital had been paid by the Chilean embassy.

More on Arms Sales

LD0503110192 Moscow TASS International Service in Russian 1620 GMT 4 Mar 92

[By Boris Krivoshey and Sergey Staroselskiy, TASS diplomatic correspondents]

[Excerpts] Moscow, 4 Mar (ITAR-TASS)—Russian Federation Foreign Minister Andrey Kozyrev is leaving on a tour of some European countries tomorrow, Vitaliy Churkin, Head of the Information Directorate of the Russian Ministry of Foreign Affairs [MID], noted at a briefing here today. [passage omitted]

Speaking about the trip to the DPRK by the Chief of General Staff of the CIS United Armed Forces, the MID representative refuted an 'IZVESTIYA' report that "an agreement on military and technical cooperation" had been signed there. The only document signed there, he said, was a schedule for traditional exchange of delegations between the two armies.

Arms trade has not only a commercial but also a political side. The final decision on arms sale is made by the political leadership, Vitaliy Churkin went on. He was answering a question from the ITAR-TASS correspondent regarding an interview by Sergey Glazyev, Russian Federation first deputy minister for foreign economic ties, to the 'ASAHI' Japanese newspaper. The deputy minister asserted that Russia is not going to export weapons to Cuba since "it has no possibility of paying for deliveries in hard currency" and he described Taiwan as a potential buyer of Russian weapons.

Be it Cuba or any other country: "It is not our business to count money in other people's pockets." As to the other side of the issue, "Russia's political leadership has no intention of selling arms to Taiwan," the MID representative stressed. [passage omitted]

Churkin on Baltics Meeting

LD0403200392 Moscow TASS in English 1856 GMT 4 Mar 92

[By ITAR-TASS correspondents Boris Krivoshey and Sergey Staroselskiy]

[Text] Moscow, March 4 TASS—"Russia regards the conference of foreign ministers of the Baltic states, due to be held in Copenhagen on March 5-6, as a major international event, aimed at supporting positive changes both in the Baltic region and Europe in general," Russian Foreign Ministry Spokesman Vitaliy Churkin said at a briefing here today. Russian Foreign Minister Andrey Kozyrev will take part in the conference.

It is planned to discuss at the conference ways of consolidating cooperation between Baltic states and to adopt a resolution on the creation of the Council of Baltic States. Its task will be to enhance political cooperation and coordination of actions between countries of the region.

The Russian minister will also hold talks with Danish Prime Minister Poul Schluter and Foreign Minister Uffe Ellemann-Jensen, Churkin continued.

Kozyrev's working visit to Norway is scheduled for March 7-8. He will hold talks with the Norwegian prime minister and foreign minister. On March 10 the Russian foreign minister will take part in an extraordinary session of the North Atlantic Cooperation Council in Brussels. CIS member states are expected to be admitted to that organisation at the session, which will be an important step.

Kozyrev is expected to meet U.S. Secretary of State James Baker in Brussels on March 11. It will be their first meeting after the final fixing of the date of the Russian president's visit to the United States—June 16-17. "Both Moscow and Washington are interested in making the Brussels meeting an important landmark on the way to the summit," Churkin stressed.

Foreign Ministry 'Regrets' Dnestr Events

LD0403204492 Moscow TASS in English 1921 GMT 4 Mar 92

[Text] Moscow, March 4 TASS—The Russian Foreign Ministry expressed regrets over the tragic events in the trans-Dnestr region. The escalation of tensions in the

region "may lead to unpredictable consequences for the people of Moldova and the entire CIS," the Ministry said on Wednesday [4 March].

Russia advocates a peaceful solution of the problems of the trans-Dnestr region and hopes that Moldova, as participant in the CSCE, "will find a worthy solution to the problem based on respect for the rights of an individual and ethnic minorities, as well as other principles of the Helsinki process."

ITAR-TASS correspondent Valeriy Demidetskiy in Kishinev learned from well-informed sources that Moldovan President Mircea Snegur will discuss with Boris Yeltsin and other CIS leaders ways to preserve the integrity of Moldova and to stop outside interference in its internal affairs. This constitutes one of the factors of a peaceful settlement in the trans-Dnestr.

However, Snegur and his team find it increasingly difficult to abide by these principles. At noon today, Kishinev's central square was blocked by protestors demanding that the republic leaders take resolute measures against Dnester separatists. The opposing sides have launched a veritable information war, which further exacerbates tensions.

According to revised data, clashes on Tuesday [3 March] near the village Kochier left nine people killed and 29 wounded.

Yeltsin 'Concerned' About Nagorno-Karabakh

LD0403175192 Moscow TASS International Service in Russian 1716 GMT 4 Mar 92

[Text] Moscow, 4 Mar (ITAR-TASS)—A statement by Russian President Boris Yeltsin was officially circulated here today. It says:

We are seriously concerned about the Nagorno-Karabakh situation. Russia is interested in a cease-fire as soon as possible and the start of a negotiating process based on the Moscow communique of the meeting of the foreign ministers of Azerbaijan, Armenia, and Russia on 20 February.

I appeal to the peoples and presidents of Azerbaijan and Armenia. I rely on their political will and wisdom. We await the start of dialogue between them and the creation of conditions for supplying humanitarian aid to the population.

On my instructions, a Russian Foreign Ministry mediating mission headed by an experienced representative will be sent to the region. We will act in close contact with the United Nations, the Nagorno-Karabakh CSCE mission, and individual interested states participating in the all-European process.

Russia will continue active diplomatic work to achieve peace in the region.

Yeltsin Sends Mediators

OW0403164592 Moscow INTERFAX in English 1609 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] President Yeltsin expressed serious concern about the situation in Nagorno-Karabakh. He urged the population and leaders of Azerbaijan and Armenia to display political will and wisdom. Russia expected the two states to start a dialogue and create conditions for supplying the population with humanitarian aid, says Boris Yeltsin's appeal.

President Yeltsin also emphasized that the negotiating parties could be guided by the Moscow communique of the foreign ministers of the two Transcaucasian republic and Russia, signed on February 20.

Boris Yeltsin announced that he had sent to this region the Russian Foreign Ministry's mediatory mission which will maintain close contacts with the UN, with the mission of the Conference on Security and Cooperation in Europe and with other parties concerned.

Foreign Minister Receives U.S. Ambassador

LD0403185092 Moscow TASS in English 1710 GMT 4 Mar 92

[Text] Moscow, March 4 ITAR-TASS—Russian Foreign Minister Andrey Kozyrev received U.S. Ambassador to Moscow Robert Strauss at the latter's request today.

The meeting focused on issues dealing with the preparation of Russian President Boris Yeltsin's state visit to the United States scheduled for June 16 and 17.

The two discussed in detail the priority tasks in Russian-American relations at the present stage, including a radical cut in strategic offensive arms and working out a conception of a global protection from ballistic missiles, as well as problems of destroying nuclear ammunition, chemical weapons and civil conversion of defense-related enterprises.

They also examined problems of widening the scope of openness between the Russian and American societies, including the establishment of new consular representations in both countries, providing easier terms of travel for official representatives of both sides and the creation of favourable conditions for the operation of the Russian and American embassies in Washington and Moscow.

Kozyrev acquainted Strauss with the efforts made by the Russian Government to clarify the issue dealing with the fate of the missing U.S. war prisoners who could have been on the territory of the former Soviet Union at various periods during the "cold war".

The top diplomats also touched upon other issues of mutual interest.

'Volte-Face' in Ties With West Feared

MK0503114592 Moscow NEZAVISIMAYA GAZETA in Russian 5 Mar 92 p 4

["Forecast" article by Vladimir Razuvayev: "Of Carrots and Sticks. Debatable Arguments About Russian Foreign Policy"]

[Text] It has not been so long since Catherine Lalumiere, secretary general of the Council of Europe, described representatives of the Russian-speaking minority in Estonia as "aliens" and some even as "occupiers," while at the same time expressing doubts as to whether they all should be given citizenship. This opinion on the part of a leader of an organization that has proclaimed as its aim the maintenance of standards in the sphere of human rights aroused a quiet storm in Russian Federation parliamentary circles. Several deputies came up with eloquent epithets both for what she had done and—as is our habit here—for Lalumiere herself. However, everything they said was restricted to unofficial contexts, so it remained a tempest in a teapot. The Russian foreign minister himself in general displayed olympian calm.

It was hard to expect any other turn of events, however. Immediately before Lalumiere's visit to Estonia, Ruslan Khasbulatov had returned from Strasbourg, where he had talked with her about general philosophical topics. In light of memories of a visit that had been proclaimed a success, he could not exactly get away with criticizing his recent interlocutor. For his part, Andrey Kozyrev apparently is so keen on his concept of the "civilized relations" that should guide the ministry in his charge, that he simply does not take on board facts that fail to fit in with his theory. The minister's position is bound to be influenced also by the fact that he had claimed previously with undue persistence that the human rights situation in Estonia is up to European standards. So, there was no effective reaction from Russian "policymakers." Maybe the meaning of what had happened also was lost on them.

However, given different circumstances, it might have been hoped that Lalumiere's remarks in Estonia would have put an end to the illusions of Russian politicians. In terms of significance, this episode, in my view, ranks much higher than the recent incident involving the American submarine in Russian waters. But competent circles, albeit circles a long way from the upper echelons of power, have never had any particular illusions about the U.S. Navy. The situation with regard to human rights and in general the entire complex regarding "civilized relations" with the West is another matter.

For some reason the Russian leadership believes that the West will help it settle problems in what were once Union republics which now are independent. At the same time, it is trying to be holier-than-thou in the disarmament sphere, in condemning dictatorial regimes, and in rhetoric about human rights. Matters were altogether bizarre when the Russian parliament held hearings on human rights in Cuba. The wish to be "civilized" made people forget that it is in the Russian Federation's interests to discuss the situation in the Transcaucasus, the Baltics, and Moldova, given that parliamentarians have conceived a desire to make a point of discussing foreign countries.

The effectiveness of Russian diplomacy's "nontraditional" approaches was demonstrated at the end of last year, when Moscow made major concessions to the Afghan armed opposition. An incredible ballyhoo was kicked up about the progress achieved at the talks. The public was told that at a stroke young Russian diplomacy had achieved something that the "old," Union diplomacy had been unable to achieve for years. The ultimate results of this unskilled action are now being diligently hushed up. Incidentally, what was the citizenship of the prisoner released by the mujahidin in exchange for an early end to weapons deliveries and the recall of military advisers from Afghanistan?

How the West sees what the Russian Federation calls "civilized relations" was demonstrated by James Baker during his recent visit to the CIS states, when he did not exactly lavish attention on his Russian counterpart. At the same time the secretary of state made many promises to the persons concerned.

Small wonder that the West's recent actions have caused a state approaching shock among a considerable number of Russian international affairs specialists. At the extremely representative conference on focal problems of Russian foreign policy organized by the Foreign Ministry last week, I was astonished to see how many representatives of the democratic current have switched to neoconservative positions. It looks as though some people's rosy dreams of a rose-bedecked "return to civilization" from "communist barbarism" have ended. That would be fine if frankly confrontational appeals had not been heard from the former democrats at that conference.

As you observe the actions of Russian diplomacy, you are afraid that the change of emphasis in the position of the academic community may herald a future radical volte-face in policy regarding the West. At any rate, a start has now been made to prepare the ground for this among public opinion. Future ideologists of confrontation also will emerge.

We had an historic opportunity to organize good relations with the West, primarily with Europe. This opportunity has still not been missed. But instead of taking it, the Russian powers-that-be are displaying something reminiscent of a carrot-and-stick policy toward the West. On the one hand, there are outright threats (unless you help us, you will soon be faced with the "red-browns"). On the other, there is a sickeningly sweet "carrot" (we are in favor of civilized relations). All the elements of success would appear to be in place. All that is lacking is the success itself—you could say that we are moving farther and farther away from it.

It is strange to think that the present crisis in the Foreign Ministry could be ended if approximately 15 highly qualified specialists were to leave the department each week, as is happening now. It is naive to think that a tie purchased abroad can make its wearer a civilized diplomat. It would be nice (but is it possible?) to attribute the recent Russian disarmament initiatives solely to misapprehension.

But, it is still more naive to close your eyes to the scorn that is increasingly often shown now by Western politicians toward the Russian Federation. Sooner or later Moscow will respond in kind. And when that happens, God forbid that it transpires that the present incompetence is just a step away from another confrontation with the West, since by then public opinion will have been prepared for this.

Media Minister Comments on Honecker Extradition

LD0503100492 Hamburg DPA in German 0020 GMT 5 Mar 92

[Excerpts] Bielefeld (DPA)— According to Mikhail N. Poltoranin, the press and mass media minister of the Russian Federation, the Russian Government is preparing the extradition of Erich Honecker, the former GDR state and party leader, to Germany. Poltoranin said in an interview in the NEUE WESTFAELISCHE (Thursday [5 March] edition), published in Bielefeld, that his government is working on a "mechanism" which will allow Honecker to be handed over to a German court. There is an arrest warrant in Germany for the 79-year-old because of the shootings at the intra-German frontier. Poltoranin, who is also deputy Russian prime minister, added: "You will get him back again, that I can promise you now." [passage omitted]

Poltoranin said that Russia regards Honecker neither as a guest nor as a citizen of the country. His country expects that German industry will make more investments in the area around Volgograd made available by a Yeltsin decree to all former Volga Germans. "I am assuming that the fact that Yeltsin made this decision and issued the decree is also to be seen as meaning that German investors will get involved as a result."

Yeltsin Names Ambassador to Ukraine

LD0503102892 Moscow TASS International Service in Russian 1442 GMT 4 Mar 92

[Text] Moscow, 4 Mar (ITAR-TASS)—Leonid Smolyakov, 50, has been appointed Russian ambassador to Ukraine. This decree was signed by Russian President Boris Yeltsin. Leonid Smolyakov is Russian, but the considerable part of his life is connected with Kiev. He graduated from the university there in 1965 and has been working in Ukraine since. He is a doctor of philosophy. He taught at the higher party school attached to the Ukranian Communist Party Central Committee between 1971 and 1987. He held the post of professor at the Academy of Social Science attached to the CPSU Central Committee between 1987 and 1991. Leonid Smolyakov has been working as Russian plenipotentiary in Ukraine since November 1991.

Official on Condemnation of Cuban Human Rights

OW0403140792 Moscow INTERFAX in English 1256 GMT 4 Mar 92

[From "Diplomatic Panorama;" transmitted via KYODO]

[Text] Russian Foreign Ministry officials have confirmed that at the session held by the U.N. Human Rights Commission in Geneva lately the Russian delegation backed a resolution condemning Cuba for human rights violations. As Vyacheslav Bakhmin who leads the ministry's department for humanitarian and cultural cooperation told DP's ["Diplomatic Panorama"] correspondent, Russia resorted to this step because "Cuba refuses to cooperate with the world public, in particular with such organizations as the U.N. Human Rights Commission."

According to the highranking diplomat, the voting in Geneva was preceded by open hearings on Cuba's human rights record in Russia's parliament. The criticism of Havana that sounded there "could not fail to play a role in determining Russia's stand at the commission's session."

"There are no dual stands in our present approach to the human rights problem", said V. Bakhmin. "We seek to objectively assess human rights observance in each country, regardless of our sympathy or antipathy for one government or another. Our stand in Geneva cannot be unexpected either to Cuba or to any other country", he added.

"We proceed from the assumption that we have a right to speak about human rights observance in other countries only when we are absolutely unbiased in assessing the human rights situation in our own country. And since this situation is far from being ideal, we begin each statement on the issue of human rights with evaluating what happens in our own country", said V. Bakhmin. "We urge all nations to criticize us if they find it necessary, since such criticism is extremely useful to us," said the diplomat in conclusion.

Filatov Receives NATO Assembly Group

LD0403191592 Moscow TASS in English 1545 GMT 4 Mar 92

[By ITAR-TASS correspondent Alexey Tabachnikov]

[Text] Moscow, March 4 TASS—Sergey Filatov, first deputy head of the Russian parliament, received today a delegation of the North Atlantic Assembly. They discussed problems dealing with the cooperation between the Russian parliament and the assembly, as well as membership in that NATO structure.

According to Secretary General of the North Atlantic Assembly Peter Corterier, the application of the Russian parliament for joining the NATO assembly as an associated member will be discussed in four weeks, and in spring the Russian delegation will be able to start working on a permanent basis.

Legislators Meet Delegation

LD0503093992 Moscow Radio Rossii Network in Russian 1300 GMT 3 Mar 92

[Text] Russian legislators have met a delegation from the North Atlantic Assembly in Moscow. Peter Corterier, secretary general of the assembly, has suggested that a joint commission of experts of the North Atlantic Assembly and the Russian Supreme Soviet be set up to exchange information.

Problems of military reform in Russia, the structures of the CIS Joint Armed Forces, and possible assistance for Russia from the West, not only economic but also political, were discussed at a meeting with the members of the Security Committee of the Supreme Soviet. The question of Russia's associate membership in the North Atlantic Assembly will be dealt with by the assembly's autumn session in Canada, RIA reports.

Kozyrev Departs for Denmark, Norway, Belgium

LD0503112592 Moscow TASS in English 0907 GMT 5 Mar 92

[By ITAR-TASS correspondent Georgiy Shmelov]

[Text] Moscow, March 5 TASS—Russian Foreign Minister Andrey Kozyrev left for Copenhagen on Wednesday [4 March] to attend the conference of foreign ministers of the Baltic states. Issues of cooperation will be in the focus of discussions.

After two days in Denmark, Kozyrev will visit Norway and will then fly to Brussels to attend a meeting of the North Atlantic Cooperation Council. Relations with the CIS will be discussed there.

Also in Brussels Kozyrev will meet U.S. Secretary of State James Baker to discuss the coming U.S.-Russian summit, scheduled for the middle of June.

Kozyrev Cited on South African Relations

MK0303130592 Moscow NEZAVISIMAYA GAZETA in Russian 3 Mar 92 p 1

[Nikolay Reshetnyak report under the "Visit" rubric: "Returning the Flag. Andrey Kozyrev's African Tour"]

[Text] Full diplomatic relations were established between Russia and South Africa 28 February. On that same day it was decided to open consulates general in Capetown and St. Petersburg.

On his arrival in Johannesburg, Russian Foreign Minister Andrey Kozyrev said that the era of ideological dimensions in relations between peoples has passed. The Russian Federation intends to develop equal, mutually advantageous cooperation with the RSA [Republic of South Africa], and this will be the main theme of our relations. Kozyrev was echoed by RSA Foreign Minister R. Botha, who thinks that we must now repair the omissions of the period of bitter conflict between the "communist and racist regimes."

Before flying to the RSA the Russian foreign minister visited Angola. Questions of bilateral relations and the settlement of the protracted regional conflict, in which the Soviet Union and Cuba were involved up to their necks, so to speak, were discussed there. It is evidently of some importance for us how the step we took was regarded in black Africa, especially in a country that suffered perhaps more than others from RSA military expansion. Kozyrev told me a day after his visit to Luanda that "people in Angola understood us."

The South African Communist Party [SACP] took a tough line on A. Kozyrev's visit to the RSA. Its leaders condemned Russia for its haste in establishing diplomatic relations, saying that this step is "premature and counterproductive." There have been arguments in left-wing newspapers that Russia's foreign-policy department took this fundamental step without consulting the Russian Supreme Soviet.

"We are in no doubt," Andrey Kozyrev said, "that we are on the right path. We are being reproached for establishing diplomatic relations with a government that has still not entirely rid itself of the defects of apartheid. Our response is this: Diplomatic relations are established not with a government, but with a country. As we see it, this approach presupposes faster rapprochement between the peoples of Russia and South Africa, who need one another, as we saw once again during the visit."

In comparison with the SACP, African National Congress [ANC] President Nelson Mandela voiced a more flexible, considered opinion of the situation. He saw the Russian minister's visit as an opportunity to coordinate the actions of all forces interested in eliminating the apartheid regime.

The ANC leader noted that in the present conditions, when apartheid is being rapidly dismantled, joint understanding of the events that are taking place is extremely necessary, as is a quest for reasonable compromises in which everyone would take an equal part: whites, blacks, coloreds, people of different cultures, creed, and political convictions.

Rutskoy, Iranian Economics Minister Hold Talks

OW0403205092 Moscow INTERFAX in English 1916 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] Russian Vice-President Aleksandr Rutskoy and Iranian Minister for Economy Nurbakhsh said during

their talks in Kremlin that the drafting of bilateral agreements and treaty should be accelerated.

The official communique circulated in Moscow on Wednesday [4 March] says that the sides had discussed various aspects of Russian-Iranian cooperation. They also come out for stronger interaction between the Caspian states and for drafting a corresponding multilateral agreement.

Khasbulatov Delivers Lecture in Italy

LD0403184292 Moscow TASS in English 1305 GMT 4 Mar 92

[By ITAR-TASS correspondent Aleksey Bukalov]

[Text] Florence, March 4 TASS—The attempted coup in August last year led to the consequences which were quite opposite to those expected by the coup initiators—the Union Republics immediately began to demand their independence, according to head of the Russian Parliament Ruslan Khasbulatov who delivered a lecture on "Transformed Russia in a new World" on Tuesday [3 March] at the European University in Florence, Italy.

A new Commonwealth has been created with a not yet so habitual abbreviation "CIS," Khasbulatov said.

It seems to me that in principle this entity has promising perspectives as processes of integration and unification of peoples and countries have been developing all over the world. This is apparently a general historical trend at the end of the twentieth century.

Of course, there are also reverse processes but they are historically of short duration, Khasbulatov noted. The peoples of the former Soviet Union who lived side by side over decades, are very closely interconnected in economic, cultural and even psychological spheres. It would be unreasonable to try to break off these natural ties. On the other hand, we should not seek to restore the former center, an imperial center which would suppress and forcibly control everything.

The movement of peoples to consolidation can be most beneficial if the integration is effected in the form of confederation—without a single government, single parliament and without any imperative centers, he continued. Those bodies which will be created, will only coordinate certain spheres of the republics. But it does not mean the confederation will be created within a day, a year or maybe a decade. Some difficulties, contradictions and even conflicts are awaiting us. The overcoming of these obstacles will evidently form the basis of the process of rapprochement of European and Asian states of the Commonwealth.

Another vital aspect of our policy is drawing together with Europe. This slogan was proclaimed in the Soviet Union before but we try to make fewer loud and solemn statements and more concrete actions, which would really help us become members of Europe with equal rights. First of all, the Russian Parliament is creating a legislative basis founded on the latest achievements of the modern legal civilization. It is not easy. There are a lot of reactionary forces in our country which resist the changes. But we are more or less successfully overcoming their resistance to build a genuine democratic society with a competitive economy, a well developed consumer's sector where a man could not be overwhelmed by the state power, Khasbulatov pointed out. He stressed the importance of training entrepreneurs for non-government structures and bank employees, as well as the creation of the market-oriented ramified production infrastructure.

Ends Visit to Italy

LD0403185192 Moscow TASS in English 1711 GMT 4 Mar 92

[By ITAR-TASS correspondent Alexey Bukalov]

[Text] Florence, March 4 TASS—A short visit of Chairman of the Russian Parliament Ruslan Khasbulatov to Italy has come to a close.

Khasbulatov addressed journalists at the presentation of his book "Record of the Coup," brought out by the Italian publishing house Ponte Alle Grazie, and delivered a public lecture at the European University of Florence, the topic of which was "the transformed Russia in a new world."

The exchange of private visits by parliamentary leaders is one of the new forms of modern diplomacy, local newspapers point out, commenting on Khasbulatov's visit. Giovanni Spadolini, chairman of the Italian senate, visited St. Petersburg in February, this year, at the invitation of the St. Petersburg University. The press published his statement on the occasion of Khasbulatov's visit to Florence. "Today, the same as the tragic days of August, 1991, when democratic Russia was fighting those who sought to get it back to the past, we have no doubt over the ability of Russians to defend freedom, gained through great sacrifices. We are sure that under the guidance of the new leaders of Russia and other republics the formation of the sovereign states will take place in the atmosphere of stability," Spadolini wrote.

The newspaper CORRIERE DELLA SERA published a report about the presentation of his book and quoted him as saying that it is necessary to preserve a centralised control over nuclear weapons in the CIS.

Khasbulatov flew from the airport of Pisa to Moscow on Wednesday [4 March] afternoon.

Importance of Treaties With Balts Stressed

PM0303165592 Moscow IZVESTIYA in Russian 29 Feb 92 Morning Edition p 6

[Stanislav Kondrashov article: "Scenario Number Seven: 'Russian Attack on Lithuania'"]

[Text] To begin, two examples designed to open another discussion of the things which life persistently tries to teach us and which sooner or later we learn (the sooner the better).

The first example—one submarine below another... The incident which alarmed the public when "we" accidentally found ourselves below the Americans who were conducting a routine spying operation in the region of a Soviet (now Russian) naval training area in the Barents Sea—10 days after the Camp David declaration in which the two presidents proclaimed that they had ceased to consider the two countries as "potential enemies"...

The second example—Boris Yeltsin's recent interview with IZVESTIYA's military correspondent in which he broached a theme which, you will recall, he avoided when he was in opposition to the center even though he was head of Russia. The theme of the arms trade. The president called it a "shock absorber" alleviating the most painful blow to Russia's "arms" plants—particularly at a time when Russia is sharply reducing its spending on arms purchases.

What is there in common between the case of espionage and the statement on the need for the arms trade abroad? In both cases the sense of romance of a section of the public and the new authorities is descending from cloud cuckoo land to the terra firma of political realism. The Americans were not black when we denigrated them and did not become white when we began whitewashing them. As before they are decked in the colors of their national interests.

Trust but verify first! Ronald Reagan taught us using our own language and our own folk wisdom. That is the basic tenet of intelligence work. The ability to look after what benefits your country and your people is a universal truth which also applies, when circumstances demand, to the arms trade—in moderation, without an "ideological approach," as Yeltsin said, "at the state level and openly." Are workers in the military-industrial complex really to blame for the fact that under the old power whole cities and several generations of inhabitants were employed in a supermilitarized economy? And is the new power not obliged to provide shock absorbers in the transitional period and, thus, ensure the well being of hundreds of thousands of people?

As the Russian president stated, this position also "found understanding" among the leaders of Western countries, including the United States. Especially since Washington, unlike Moscow, has not cut back the arms trade. On the contrary, after the war in the Gulf when we cut back and incurred losses not compensated for by anyone, the Americans firmly took the lead in the world in this kind of "service" without disdaining "ideological approaches" or, more accurately, their own interests.

It was probably more difficult to find understanding on the sensitive issue of espionage in a sensitive region and at a sensitive moment when we we were persuading America that we had become its ally. Spying on allies—that is going too far, is it not? But here, too, the Americans are rescued by the fact that they did rush to declare the new alliance status and in their cool Anglo-Saxon manner avoided embraces.

However, we did find a kind of understanding even on the submarine affair despite the sensitivity of the situation. When Yeltsin met with Baker in Moscow he formed the opinion that the ill-fated collision should not hinder the development of the new relations.

But there is another example which broadens the sphere of our discussion: The Pentagon's secret but now publicized new scenarios in the event of conflicts in various parts of a world which has ended with the "cold war." Scenario number seven, as our newspaper reported, is the "Russian attack on Lithuania" on the pretext of protecting the Russians in that former republic of the former Soviet Union. The Pentagon's scenario writers envisage in that event direct military participation by NATO and U.S. Armed Forces—and victory over Russia (on condition of Ukrainian neutrality) within 89 days including three weeks of "intensive war."

Is it possible to show understanding here, too? In theory it is quite possible, after all, is that not the task of the military, to be ready for such situations? Is their desire to—literally—force up their own price not justified? Is it not in the Pentagon that the last bastions and recidivists of the "cold war" are preserved? Who knows what may turn up among the military secrets and scenarios held in reserve, for the right occasion. Especially since the last word belongs not to the generals but the politicians and state leadership, which has not approved and is not responsible for scenario number seven.

This is all so. But one cannot overlook the future-oriented political background to this scenario. It is based on the premise that the geopolitical character of the Baltic region can be changed and that having left the Soviet Union it will also leave the sphere of Russia's influence and enter the sphere of influence of NATO and the United States. We cannot close our eyes to the fact that some Baltic politicians also have intentions—regarding switching to a different sphere of influence—and that they are ready gradually to switch from intentions to actions if NATO or Washington beckon. In that eventuality, the presently fantastic scenario could become quite likely.

Of course there are sensible people in NATO, we have just had a good dialogue with Manfred Woerner and we heard that he completely trusts the Russian leadership. The Russian leadership also trusts the NATO leadership, which at the moment does not seem to be beckoning to anyone to the detriment of Russia's geopolitical interests. We have no grounds for rivalry now—thank God. Generally speaking, we ourselves are prepared to cooperate with NATO and some are even asking why we do not join it without delay.

However, let us return to scenario number seven. Politics, like nature, abhors a vacuum. We have ceased to be

part of a single Union state or, if you prefer, a single empire with the Balts. But Russia had interests there and still has, even if it has radically changed the form of its presence and the expression of that presence. The political interests have remained—in the form of the need for good-neighborliness. It has geostrategic interests—because this region is in the immediate vicinity of Russia's borders and is in the zone of Russian security. In addition, the troops will be withdrawn but our fellow countrymen, the Russian-speaking inhabitants, will remain there. They will remain as citizens of the new states, protected by their laws, like equal citizens of civilized, democratic, rule-of-law states. Russia, where their roots are, cannot fail to think about their fate and they expect that. It is obliged to reserve the right—on those same civilized, democratic grounds—to raise its voice in their defense if they, God forbid, begin to be treated and persecuted as foreigners, "migrants," or second-class citizens should the authorities and the peoples suffer a loss of reason in a frenzy of extreme nationalism or in an act of furious revenge for the imperialist past.

All these things are self-evident. But they are vague. They must be defined precisely in bilateral treaties between Russia and Lithuania, Latvia, and Estonia (as well as with members of the CIS). Otherwise, Russia's action in defense of its sons, if they become outcasts in another state, may be considered merely an unconvincing pretext which—hypothetically—will make it possible to set in motion something similar to scenario number seven. Meanwhile there are at present no concrete or detailed accords on this issue.

The unitary state has disintegrated, fallen apart, and lies in ruins and in some places the smoke of interethnic conflicts rises. After the collapse and disintegration the time has come for an orderly divorce, the "formalities," the contractual bureaucracy without which the smoke threatens to become much thicker. Russia's politicians and diplomats are already unforgivably late with this. Russia's vacillation is again proving to be a time bomb. If the rights of the Russian-speaking population in Lithuania and the limits of their permissible protection by Russia had been precisely defined in the past, the Pentagon scenario would no longer have any justification, even theoretical, today.

As one of the participants in the scientific-practical conference recently held by the Russian Foreign Ministry rightly and harshly put it, a great power cannot be confronted with an "unacceptable choice"—to betray its fellow countrymen or interfere in the internal affairs of other states.

Roughly the same may be said about Russia's justified economic interests on the Baltic's shores and on the accords in the sphere of mutual security as the essential condition for the withdrawal from those states of the former Union troops which have now been transferred to Russian jurisdiction. The new states have a full right to independence but in the light of their geopolitical position (there is so much historical evidence of this!) this independence will be all the more durable the less reason Russia has for feeling that it has been infringed by the "loss" of the Baltic lands.

Just yesterday Russian democracy was in opposition. As such it emphasized solidarity with the cause of the Baltic peoples' self-determination—against the policy of the imperial center—and, it turned out, against the will of the Russian-speaking minority, because the latter to a considerable extent linked their fate to the preservation of the unified state. Now the democrats are in power and self-determination has occurred. The Russian president and parliament must shift the emphasis to protecting those Russians who did not want to live in a foreign country but who find themselves in one.

The slower Moscow is to act the more leeway there will be to make up and the greater the number of zones of uncertainty and risk there will be because of absence of a treaties enshrining the sides' rights and obligations.

Ambartsumov Interviewed on Crimean Question

PM0403153292 Moscow NEW TIMES in English No. 6, Feb 92 pp 10-12

[Interview with Yevgeniy Ambartsumov, Deputy chairman of the Russian Federation Supreme Soviet Committee for International Relations, by Marina Shakina: "We and You Both Remember..." place and date not given—first paragraph is introduction]

[Text] Deputy Chairman of the Russian Federation Supreme Soviet Committee for International Relations Yevgeniy Ambartsumov expounds on the position of the committee with regards to the Crimea problem in an interview with NEW TIMES correspondent.

NEW TIMES: Why has the committee adopted the resolution stating that the joining of the Crimea to Ukraine was unconstitutional. As early as 1990, when the Russian-Ukrainian agreement was ratified, some delegates insisted that the question of the Crimea must be mentioned in the agreement. Your committee did not support this demand then. How would you explain this evolution in viewpoints of the members of your committee?

Yevgeniy Ambartsumov: I wouldn't call it an evolution. It's a specification of the position. Until lately we haven't had in-depth historical and political information about the circumstances surrounding the joining of the Crimea to Ukraine. Our hypothesis about the absence of legal grounds of the 1954 act is at present, I'd say, more than corroborated by newly discovered documents and facts. Their discovery is largely to the merit of retired admiral, professor of history, Kazimir Stolbo.

In January of 1954 Khrushchev, who was at that moment in Kiev, said that they had decided to hand over the Crimea to Ukraine to commemorate the 300th

anniversary of the reunion of Russia and Ukraine. Later he told Shepilov who still was in his good graces at the time that this decision was explained by the pressure exerted on him by Kirichenko, the Ukrainian Communist Party Central Committee's First Secretary, and other Ukrainians in the CPSU leadership. He couldn't refuse it to them, because they loved him so much.

On February 1, 1954, Suslov sent Khrushchev a letter which contained a suggestion to schedule the session of the Presidium of the USSR Supreme Soviet for February 19 to consider the "joint representation" of the republics concerned with the transference of the Crimea from the Russian Federation to Ukraine. The letter had been obviously inspired by Khrushchev-he needed something in order to raise the question at the Politburo. Enclosed was a scenario of the session and a list of those who would take the floor.

No traces of the "joint representation" has been found in the archives. The resolution about the transference of the Crimea was adopted on February 5 by the Presidium of Russia's Supreme Soviet, without the required quorum, by the way, and on February 13 by the Presidium of the Ukrainian Supreme Soviet. According to the Constitution in force at that time, such resolutions could be adopted only by the supreme body of power of a republic - the Supreme Soviet, which was not the case. It was a negligence, a mere oversight, however, even the formalities stipulated by the Russian Federation Constitution of the time were not observed.

NT [NEW TIMES]: The actions of your committee are meant to make an appeal for the revision of the borders.

Y.A. [Yevgeniy Ambartsumov]: The proposal of our committee to consider as unconstitutional the transference of the Crimea to Ukraine must not be interpreted as a challenge to Ukraine. After all, both Ukraine and Russia were in those days nothing more than pieces of a totalitarian system and objects of arbitrary actions by the ruling elite. Our peoples had nothing to do with these decisions.

There is another implication in the matter. Quite recently we have denounced as illegal the Molotov-Ribbentrop Pact and, thus, the fact of the annexation of the Baltic states. So we raise the qustion of legal steps resembling those which removed the consequences of the Soviet-German agreement of 1939.

When I am asked, why this revision of borders, why these steps shattering the stability in the Commonwealth, I answer by asking: Why use a double standard? I mean speaking about the illegal pact of 1939 and forgetting about the illegal nature of the resolution of 1954.

Besides, the resolution adopted by our committee fully complies with our parliament's democratic intentions to restore the rights of repressed peoples. At the moment the Crimea was handed over the Russian people were repressed.

NT: Do you envisage any ways of settling the problem democratically?

Y.A.: There may be different ways of settlement. For instance, the case may be considered at the International Court of Justice in The Hague, if, of course, both sides agree to it. A condominium is not ruled out either. A moratorium on the revision of borders within the Commonwealth may be agreed upon, provided that the existence of the Crimea question is recognized.

Incidentally, the Russian-Ukrainian agreement of 1990 contains the clause providing for inviolabiltiy of borders. However, its meaning was immediately specificed by the sides: the clause is effective as long as the republics remain in the Union, i.e. within the framework of a certain political whole, but in the case when one of them declares its independence, the matter may be reconsidered on legal grounds. Incidentally, this stipulation was repeated in the first Minsk agreement of the CIS. Later the Ukrainian Supreme Soviet unilaterally adopted amendments to it which Russia rejected.

NT: Don't you think that you made concessions to national patriots and the Babu-rin-brand great-power unitarianists in initiating the revision of borders?

Y.A.: These forces look for a conflict in order to shatter the existing Russian government; their obvious desire is to replace it, acting from restorationist positions. Our stance is progressive, and our aims are absolutely different—we want to develop friendly relations with Ukraine provided the interests of the Russian population are observed. We cannot allow Russians living outside the Federation to feel forsaken and betrayed.

It is noteworthy, incidentally, that the other side is much more self-indulgent then we are. Recently Kravchuk has uttered the word "occupiers," speaking about the Russians in Ukraine and the Black Sea Fleet, whereas none of the Russian political figures has ever ventured talking about the Ukrainian occupation of the Crimea...I regard such statements as outrageous. People like Kravchuk have ruled Ukraine for decades and, by the way, prevented the repressed Tatars from returning to the Crimea. Russian defenders of civil rights, Academician Sakharov and general Grigorenko, were the first to support the struggle of Crimean Tatars for their rights. Those days no voices in support of the Tatars were heard in Ukraine. The present tone of the Ukrainian nationalist press by far outstrips any of our national patriotic publications. Take, for example, the ethnographic "theories" about "Ukres"—the forefathers of the present Ukrainians and that the word "Ukraine" means not "province," but "the land of Ukres." It reminds me of Ceausescu's ethnographic essays proving that the Romanians are the descendants of the ancient Romans...

Our approach to the Crimean problem is historically justified, politically sound and does not contradict a friendly attitude towards the neighbouring republic; we must prevent the worsening of the political situation and the popularization of pseudo-patriotic views. Russia's

national humiliation is fertile soil for dangerous political demagogues of the Zhirinovskiy type.

NT: What, in your opinion, can make Ukraine discuss this question at all? So far its leadership confines itself to statements about its territorial integrity.

Y.A.: There exists a Russian-Ukrainian negotiation group. The Crimea is only one of many disputable moments in Russian-Ukrainian relations. There are other problems too—for instance, the gas and oil pipes running through the Ukrainian territory to Eastern Europe. The ambassador of Poland to Moscow has complained to me that part of the gas and oil pumped to Poland gets "lost" somewhere in Ukraine. I don't say that Russia is sinless. We may well make mistakes, overlook certain things, fail to fulfil obligations in the conditions of economic chaos and disruption of economic ties. I only want to say that problems must be discussed and settled.

NT: Ukraine is prepared to discuss economic problems. However, it refuses point blank to regard the political problem of the Crimea as disputable. Or maybe Russia is not going to tackle seriously the Crimean issue in the near future, and your statement is only a signal to the effect that we remember and you must remember that we do remember?

Y.A.: I am talking about the entire set of problems which mar our relations. The participants in the negotiations will decide what problems are to be discussed today and what can be left for better times. However, the Crimean issue is connected with the problem of the Black Sea Fleet as the CIS common property. But who has urged Ukraine to hurry up with the swearing allegiance? Frankly speaking, this was the thread by which Ukraine pulled down the mountain of problems on our and its own head.

I believe that the situation in the world community will urge Ukraine to get down to the Crimean problem. It's in vain that Ukraine, ambitious to secure a place in Europe, counts on the West, closing the door to Russia. This is an erroneous idea about the intentions of the West.

NT: If I understand you correctly, you believe that this issue may become a topic of an international discussion, an element of international policy?

Y.A.: This my personal opinion. Which doesn't mean that President Yeltsin is of the same opinion; negotiations, as is well known, are conducted not by parliaments but by governments. Yeltsin is very punctilious in such matters, he tries to avoid crisis situations in the ephemeral edifice that is the CIS. However, neither the president nor the government can disregard the stance of the parliament.

NT: Do you find that the reaction to your statement among democrats is ambivalent? Many believe that such a demarche on your part will only lead to a sharp aggravation of relations with Ukraine?

Y.A.: The democratic camp is not homogeneous. The so-called "advocates of a strong state" cannot be excluded from the democratic forces. This is not a CPSU or Zhirinovskiy's party. I don't see why Mikhail Astafyev or Viktor Aksyuchits should not be considered democrats. And what about Oleg Rumyantsev, leader of Social Democrats? Our positions are the same, he only formulates them in a more strongly-worded way.

Some democrats have in fact rejected this formulation of the problem—these are the people who make democracy an end in itself. If we overemphasize the principle of self-determination of nations, we will have to refuse to recognize as democratic all Western countries which don't permit the Basque Province, Corsica, etc., to secede.

There is a historical legacy, there are geopolitical interests which cannot be rejected. Any state will comprehend our position. Our misfortune is that the Russian government often makes noble political steps without foreseeing their political consequences. I see the main task of our committee in working out, together with the Foreign Ministry, Russia's strategic foreign policy. We don't know as yet where Russia and its interests end, or what is going to happen tomorrow...

NT: You think there will be no second Crimean war?

Y.A.: I consider it the Russian people's greatest wisdom and historical merit that they haven't let themselves become involved in internal and external conflicts, that they haven't given in to Zhirinovskiy's appeals. We haven't followed the Yugoslav path.

Chechen Official on Ukrainian Trade Agreement

LD2902184792 Moscow Radio Rossii Network in Russian 2000 GMT 27 Feb 92

[Text] At a session of the Chechen Republic's parliament today, its chairman, Khuseyn Akhmadov, informed deputies that Yusupov, a plenipotentiary of the Chechen Republic, had been received by the deputy chairman of the Ukrainian Supreme Soviet. Here with the details is Ruslan Nashkhoyev from Groznyy.

[Nashkhoyev] At the conversation, the Ukrainian side expressed a willingness to establish economic, political, and cultural ties with the Chechen Republic. Ukrainian Prime Minister Fokin and President Dudayev will sign a corresponding trade-economic agreement. In accordance with a preliminary arrangement, goods to be exchanged by Ukraine and Chechnya will amount to some 6 billion rubles. Apart from that, Ukraine, according to Akhmadov, is proposing to Chechnya that Ukraine should be a co-founder of a bank jointly owned with Iran and participate in the construction of a gas pipeline from Iran to Kiev, that trade missions should be opened in Groznyy and the capital of Ukraine, and that, in March 1992, parliamentary delegations should be exchanged.

Ruslan Nashkhoyev, specially for the News Service of Russia's Radio.

Trade Accord With India Said 'More Flexible'

PM2802123592 Moscow IZVESTIYA in Russian 24 Feb 92 Morning Edition p 5

[Nikolay Paklin report: "Trade Talks Between Russia and India: Indian Tea for Old Debts"]

[Text] Delhi—Russian-Indian talks on the future of economic relations between our countries have begun in Delhi.

The first round of talks between high-ranking experts took place in Moscow a month ago. This is now the final round. The sides have to complete work on the first trade agreement between Russia and India. It will define the principles of our economic ties. One of the most important is the most-favored principle.

By comparison with the Soviet-Indian trade agreements, the agreement between Russia and India will be more flexible. We will trade at world prices. However, whereas the previous agreements pointed out that transactions had to be conducted only in Indian rupees, by mutual agreement sellers and buyers may now also conduct transactions in freely convertible currency. But if neither has any, they will have the right to resort to barter deals, i.e. to exchange one commodity for another. In short, the Russian-Indian trade agreement will encourage the introduction of very diverse forms of trade and economic ties into practice. This is the basis, in principle, of the document that is being prepared.

But principles alone will not sustain you. Russian and Indian experts are also preparing a trade protocol for 1992 for signing. V.N. Koptevskiy, head of the Russian experts, told your correspondent that, at the request of the Indian side, the clearing principle in trade is being retained for a transitional period (one or two years) in respect of a limited quota of goods.

What will we receive from India this year?

Above all a considerable quantity of Indian tea. Not only because Indian tea producers are giving increased attention to our delegation. Tea is India's traditional export commodity, and we are traditional buyers of it. Tea is a hard-currency commodity. We have an advantage: We pay for Indian tea not in dollars and pounds but in our own commodities.

In addition to tea, we will buy coffee, spices, consumer goods, leather products, medical supplies, and some industrial goods from India. India would like to receive Russian oil and petroleum products above all. These commodities are also hard-currency ones. The trade protocol for 1992 will include deliveries from Russia to India of fertilizers, certain nonferrous metals, and even... newsprint, of which, as is known, we ourselves have an acute shortage.

Deliveries of our military hardware and spare parts for it stand apart. Deliveries of equipment for a nuclear electric power station and other major industrial projects are still in a suspended state. India needs large-scale credits for them. Will Russia find the money? On the other hand, the granting of long-term credits for the supply of industrial equipment is commonplace in economic relations at an interstate level. We would not want to lose the capacious Indian market for our machine-building output. It would be hard to return to it.

I will remind you that we pay for a considerable proportion of Indian goods today in... rupees, which we receive when India repays our long-term state credits. If there were none, there would be no Indian tea on our store counters.

The experts' talks are continuing.

Absence From 'Unnecessary' Kiev Forum Eyed

PM0303112192 Moscow IZVESTIYA in Russian 28 Feb 92 Morning Edition p 2

[Vasiliy Kononenko report on interview with S. Varlamov, leader of Russian Committee for Economic Cooperation With CIS Member States; place and date not given: "Why Russian Delegation Did Not Attend Kiev Conference"—first paragraph is editorial introduction]

[Text] Russia did not ignore the Interstate Consultative Conference held in Kiev 25 February. The fact was that this forum was simply unnecessary. This is the conclusion that emerges from an interview given to an IZVESTIYA correspondent by S. Varlamov, one of the leaders of the Russian Committee for Economic Cooperation With CIS Member States.

This conference, Varlamov said, was initiated as a result of an appeal to world financial circles by Ukrainian Prime Minister V. Fokin 10 February. Among other things, this document contains the claim that "overseas and internal gold and hard currency assets and real estate outside USSR borders are being unilaterally appropriated..." Consequently Ukraine is asking world financial circles to recognize its right of ownership to 16.37 percent of all kinds of former USSR assets both inside and outside USSR territory, and also requesting that Russia's ownership rights to this property be temporarily suspended pending the actual division of this property among the successor states.

It was with the purpose of realizing these and other approaches that the Ukrainian Government came up with the initiative of holding the said meeting in Kiev, and moreover with the participation of plenipotentiary representatives, creditors, the IMF, and the World Bank. It thus turns out that an attempt was made to submit questions relating to the components of the former Union for discussion at international level.

At this point it is necessary to recall that back in December last year the CIS heads of state signed an agreement on overseas property belonging to the former USSR. At the same time an understanding was reached to set up an interstate commission to formulate criteria and principles for dividing up this property. Just before the heads of the CIS states and governments met in Minsk 14 February, representatives from all the countries, including Ukraine, discussed these issues in detail. Moreover, the agenda proposed by the coordinator of the CIS working group for the upcoming session of the Council of Heads of Government in March included these points: foreign debt and assets, and the unfreezing of state assets in the former USSR Vneshekonombank [Bank for Foreign Economic Activity].

The upshot was that the Ukrainian side, despite the existing accords, decided to include international financial organizations in the complex process of dividing up assets. Incidentally, the fact that representatives of these organizations did not show up in Kiev could indicate that they are inclined to place these issues in the "Commonwealth internal affairs" category.

In conclusion I would like to draw attention to a particular problem. Within the framework of meetings and talks between representatives of CIS member states, a number of important agreements has already been reached that regulate their mutual relations. Nonetheless, we already know of several cases in which documents signed at a high level are interpreted in a singular fashion and are even ignored. For example, as regards the treaty of 4 December last year, which proposes paying off the former USSR's foreign debt, many of its signatories have not kept their word to this day. The sooner we rigorously meet the commitments we have taken upon ourselves, the more realistic the prospects for consolidating the CIS will be, which will be to the mutual advantage of all its participants; and the sooner the world financial circles' confidence in us will be restored.

Federation Affairs

TASS: 'Text' of Economic Policy Memorandum

LD0403163692 Moscow TASS International Service in Russian 1440 GMT 4 Mar 92

[Text] Moscow, 4 Mar (ITAR-TASS)—The text of the memorandum on the economic policy of the Russian Federation which was adopted at a sitting of the Russian Government on 27 February and which was distributed today follows:

1. During the course of the last 60 years or so, the Russian economy has been subjected to strict centralized planning as part of the USSR economy. The gradual dismantling of this system began in the mid-1980's but it was not replaced by any other complete economic mechanism. Macroeconomic imbalances accumulated during this same period. As a result, the economy was approaching the beginning of the new decade in a state of acute crisis which manifested itself in a fall in production, an increase in inflation, the obsolesence of assets, crude distortions of price correlations, serious structural imbalances, as well as severe ecological problems. The transition to a democratic form of government in 1991 created the prerequisites for the fundamental causes of these negative phenomena to be eliminated. The main economic goals of the Russian Government were set out in a speech by Russian President B. Yeltsin on 28 October 1991: the transition to a market economy and the attainment of macroeconomic stabilization. A brief exposition of economic policies for the first months of 1992 and the main clauses in the program which the government intends to implement during the last three quarters of 1992 are cited below. The Russian leadership hopes that this bold and all-embracing program will gain the appropriate support from the international financial community.

A. Economy at the Start of 1992

2. As a result of a wide-scale price liberalization carried out on 2 January 1992, approximately 90 percent of consumer goods prices and 80 percent of industrial goods prices (in terms of their value and the average annual prices of 1991) are now free from direct administrative regulation. This price liberalization action, alongside the three to five times increase of the remaining regulated prices, led to an estimated 3.5 times increase in the average price level in January, which, to a certain extent, was connected with a reduction in the massive surplus of money in circulation among the population and in industry. However, there are signs that the major price growth occured in the first weeks of January, while in February the level of inflation was considerably lower. In a number of cases prices fell in comparison with their top January levels because the trading organizations as well as manufacturers faced a sharp decline in demand.

3. However, it is clear that the price escalation in January could have been considerably lower if competition in industry and trade was suficiently developed in our economy. The government has already taken steps to encourage competition and to increase the response of supply to price changes.

First, Presidential Decree 65 of 29 January 1992 states that everyone has the right to trade anywhere in whatever they wish, if such trading is not specifically prohibited. Second, we are striving at every level of state government to implement as quickly as possible the plans for privatization set forth in Presidential Decree 341 of 29 December 1991. The program for 1992 envisages privatization of 50 percent of enterprises and organizations in the construction materials industry, wholesale trade, and public catering; 60 percent of enterprises in the food industry, agriculture, and retail trade, and also 70 percent of enterprises in light industry, construction, motor vehicle transport, and maintenance work. Further privatization will take place in 1993-95. It is obvious that a tangible improvement in the supply of

goods can be achieved most quickly through privatization of retail and wholesale trade and of road haulage.

4. It was our intention to combine price liberalization with a substantial tightening up of fiscal policy, in order to prevent the initial big jump in prices from turning into a price-wage spiral and hyperinflation, and to reduce inflation to a low level. Our approach includes two basic elements.

5. In the first place, bearing in mind Russia's calculated budget deficit in excess of 20 percent of gross domestic product in 1991 (see footnote 1), the government plans to reduce the deficit of the consolidated budget to one percent of the gross domestic product in the first quarter of 1992. In the main, the strengthening of the budget is secured by a substantial reduction of subsidies (determined by the price measures noted above), of military expenditure, and of investments financed from the budget. Simultaneously, revenues must be increased by replacing the sales tax and turnover tax, which were inherited from the centralized, planned economy, with a value added tax; the export of energy sources and raw materials will also become subject to tax. If the budget is recalculated in accordance with international standards, that is, if external financing is excluded from the revenues and if the costs of servicing the internal state debt are included in the expenditure, then the budget deficit rises to 4.4 percent of the gross domestic product. Although a policy of tight sequestration of expenditure was implemented in January it is nevertheless not ruled out that shortfalls in revenue receipts and excess expenditure could lead to an increase in the budget deficit to more than 10 percent of the gross domestic product over the first quarter as a whole. (Footnote 1) The 1991 budget deficit has been calculated on the basis of adding to the actual deficit of the Russian Federation for the year as a whole the same share of the revenue and expenditure of the union budget for for the first 10 months of 1991 that Russia took upon itself in November-December 1991.

6. Second, the Central Bank of Russia [CBR] has tightened up monetary policy. In particular, in the first quarter of 1992 it is planned to drastically restrict the growth in CBR credits granted to commercial banks. The CBR has increased the rate for such credits from 2-9 percent in 1991 to 20 percent, and has freed the interest rates that commercial banks may set. Reserve requirements will also be gradually increased to 20 percent in April, and their level will be the same for all commercial banks. It is likely that as a result of price liberalization, money savings in real terms in the first quarter will fall sharply and the excess money supply will be eliminated.

7. The liberalization of most domestic prices was accompanied by a liberalization of the foreign trade and currency exchange systems. In principle, any economic monetary unit has the right to be part of foreign trade. Imports have been almost totally liberalized, while the greater part of foreign trade in the first quarter of 1992 has continued to be subject to quotas and licences. This applies primarily to export of mineral fuels and other raw materials (55 percent of exports), and also of arms (still 15 percent of exports). The export of all other goods is free of quantitative restrictions. Although the currency exchange system remains more complex than might be desired, exchange rates at which exporters are obliged to sell foreign currency, and importers to acquire it, have been substantially reduced in real terms compared with the commercial rate at the end of 1991 of 1.7 rubles [R] to the U.S. dollar. The exchange rates currently in use in foreign trade are much too low. We expect the policy described in this memorandum to lead to an increase in the exchange rate compared with the existing level, which will help restrain inflationary pressure.

8. The Russian Government remains true to its duties in servicing the foreign debt taken on by it with regard to official and commercial creditors in November-December 1991 and January 1992. The government intends to pay off the debt. However, the opportunity does not exist at the current time to guarantee interest payments will be cleared in full. We are discussing the problem of paying off our foreign debts with our creditors. A system of regular transfers of funds from the Russian Vneshtorgbank to the Vneshekonombank [VEB] was introduced in February. Monitoring of foreign currency transactions will be tightened up via the banking system, and bank accounts will be checked against customs documents from March 1992. This will increase the state's opportunity to ensure that hard currency is received.

9. We think that the above measures are being implemented in the correct direction and represent a radical turnaround from the economic system of the past to market economy principles with a low inflation rate and stable economic growth. However, we acknowledge that additional measures are required for the transformations to be successfully carried out and for foreign financial resources to be received. Therefore, we are striving toward stengthening and implementing as soon as possible our program for reform and stablization. This presupposes the implementation of long-term and significant transformations in a number of spheres as well as the elaboration of an all-round and integral program for stablization within the framework of the reforms for the last three-quarters of 1992.

B. Government Program From 1 April to 31 December 1992

(1) Aims of the program

10. The aims of the program are a sharp reduction in the rate of inflation to a low level by the end of 1992 and the maximium possible opposition to a slump in production. Apart from this, it is proposed to achieve a radical improvement in the foreign economic situation. This would serve as a basis for obtaining external assistance and for an influx of direct foreign investments, which are essential for restructuring the economy.

(2) Policy in the field of prices and inflation

11. At present prices are, as before, regulated administratively for 12 varieties of staple food products, certain communal services, and a limited range of fuels and semi-finished products. Our aim is to remove all remaining administrative restrictions on prices for consumer goods and services (with the exception of rent for flats, communal services and public transport) before the end of March 1992. As a result, payment for goods and services at regulated prices will account for only about 5 percent of the population's monetary outlays (in cost terms and at average annual prices for 1991.) Local authorities will be given the right to regulate prices for milk and bread from local budget resources.

12. In the production sector it would be unrealistic immediately to allow prices for fuel and certain other key resources to increase to the level of world market prices. This would lead to an unacceptably sharp drop in production. However, it has been deemed important to carry out a liberalization of fuel prices immediately. By 20 April 1992, a new system of export duties covering the whole difference between the domestic and world prices for these goods will be introduced in place of the existing system. As a result of a review of these export duties in line with a schedule announced earlier, prices will reach the level of world prices by the end of 1993. During the liberalization of fuel prices, we intend to take account of the interests of the other former republics of the USSR, to inform them in advance of our intentions and to ensure a single price level within the framework of a single economic area. This will help to prevent reciprocal measures which would probably lead to a sharp reduction in interstate trade and would only worsen the slump in production that is expected in the transition period during the restructuring of the economy on market principles.

13. We intend to free the prices for fuel and other goods for production purposes, which are still subject to price regulation, by 20 April 1990, which corresponds to the end of the heating season. Regulation of prices for gas and electricity will be retained temporarily. Prices for crude oil will be increased from 350 rubles [R] per tonne at the beginning of January to R2000-2500 per tonne, excluding VAT. With an exchange rate of about 50 rubles to the U.S. dolla This would mean an increase of the domestic price for crude oil to a level amounting to more than one-third of the world market price, compared with the situation in January, when with an average exchange rate for oil producers of over R100 to the U.S. dollar, the price of oil was about three per cent of the world market price. Export duties on fuel will be reviewed by 1 January 1993 in such a way that domestic prices will amount to about two-thirds of the world market prices for that period.

14. Bringing prices for fuel and other basic resources closer to world market prices will make an even greater contribution to reducing direct budget subsidies and lessen the need for special tax privileges for these sectors of the economy. A sharp increase in the relative prices of fuel will stimulate production, especially in the conditions of the organizational changes being carried out in the fuel and power sector, and will lead to a substantial reduction in losses of these fuels.

15. As a result of further price liberalization, it is expected that in April the general price level will increase by an additional 50-75 percent. However, with consistent implementation of a tight financial and income policy, the average monthly level of inflation should rapidly come down to between 1 and 3 percent in the first quarter of 1992. In that case, the general level of inflation in the last three quarters of 1992 will be 100 and 140 percent in comparison with 145 percent in 1991 and approximately 350 percent in the first quarter of 1992.

(3) System of Social Protection

16. We propose to provide protection for the most vulnerable groups of the population during the transitional period. This will be done by using various political instruments.

17. First, the government will establish a ceiling for the budget allocations for subsidies to consumers, meaning that the prices for services which remain to be administratively regulated at the end of March (see paragraph 2) should increase following the further increase in industrial spending. The remaining subsidies should be distributed in the form of cash payments, taking into account the level of income as precisely as possible, in order to compensate citizens receiving welfare benefits (pensions and family benefits) for the price increases.

18. Second, we intend to introduce as quickly as possible a system of family benefits to be directed to a greater extent at the groups of the population with low incomes. Furthermore, this system will be reviewed with the aim of regulating it and excluding the possibility of double compensation. The indexation of the reviewed benefits will be restricted.

19. Third, unemployment benefits should be reduced in order to alleviate the burden of budget expenditure and in order to provide the necessary incentives for productive work. The existing system of unemployment benefits, according to which the benefits in the first three months amount to 100 percent of the level of the average wages which the unemployed person received in the past and which is gradually reduced over a period of 12 months to the level of the mimimum wage, will be changed. The present benefit based on the average wage received in the past will be replaced by two alternative types of benefits—ordinary benefit and higher benefit. The higher benefit will be paid to those unemployed who lose their jobs because of the closure or major reorganization of their enterprises. All other unemployed will receive the ordinary benefit. The higher benefit will exceed the ordinary one but will amount to no more than 90 percent of the average wage received in the past. The ordinary benefit will not exceed 75 percent of the minimum wage. After six months all unemployed will

receive only the ordinary benefit. It is expected that the new system will be introduced no later than 1 June 1992.

20. More precise targeting of these benefits will yield substantial savings in budget resources and employment fund resources. A proportion of these savings will enable us to finance an active policy in the labor market, including retraining programs for the unemployed and schemes for encouraging enterprise. As a last resort, we shall be willing to use schemes for labor-intensive public works.

21. Finally, the amounts paid out in pensions and benefits under the social security system must be limited to the resources in the actual pension fund and social security fund at any given moment. In 1992 the government will not be subsidizing these funds. In addition, it will neither be increasing the rates of social security contributions from their already high level of 37 percent of basic pay nor further reducing the pensionable age. The government plans to take steps to encourage the development of private pension funds and the privatization of the state pension system.

(4) Financial Policy

22. In order to achieve the set target for reducing inflation, it is necessary to tighten up financial policy even more than in the first quarter of 1992. Important measures will be taken in the sphere of both fiscal policy and monetary policy.

A. Fiscal policy

23. The government intends to progress speedily toward the goal of achieving a balanced budget. Taking into consideration the fact that a huge budget deficit is expected in the first quarter of 1992, it is necessary to take serious additional measures.

24. Significant reductions in expenditures already have taken place in a number of spheres, particularly in defense. They will be continued throughout the entire year, and this will allow an overall reduction in budget expenditures to be achieved. The overall amount of subsidies will be reduced additionally; a reduction of 5 percent of the GDP is envisaged in the budget for the first quarter. The policy in the sphere of prices, which is being dealt with in section two, will make the largest contribution in this respect. Direct subsidies to enterprises will be reduced by 1.5 percent of the GDP by the fourth quarter of 1992. Further dismantling of the centralized planning system will enable expenditures on the management of the economy to be reduced considerably. The numbers of state employees in the central apparatus will be cut accordingly, by five percent by the middle of 1992 and by another 10 percent by the end of 1992. In addition, we will avoid rigid indexation of wages in budget organizations to the level of inflation, and expenditures on wages in budget organizations will not exceed 90 percent of the increase in the wages fund in the material sector (see also section five).

25. Additional measures will be taken in order to increase the revenue part of the budget. They will include:

A. Restoration of the value-added tax [VAT] on all goods, which will be proposed in the draft budget that will submitted to the Supreme Soviet in March 1992;

B. Replacement of the existing system of compulsory sale of a part of the foreign currency proceeds at an increased rate of exchange and of existing export duties by a uniform regime of taxation of the export of fuel and raw materials;

C. Introduction from 1 July 1992 of a single customs tariff of an average 15 percent from the stated price;

D. Additional taxation (in the form of rent payments [rentnyye platezhi] and others) at an average rate of some 50 percent of internal prices for oil and natural gas (without VAT) from the moment of the liberalization of these prices in mid-April 1992;

E. Further reduction in the number of tax privileges, including privileges received by the regions on the basis of their export volumes;

F. Extension of VAT and excise duties to imports by 1 July 1992;

G. Granting to local governments of the right to establish additional taxes.

It is expected that efforts to improve the taxation service, which will benefit from the technical assistance of the IMF, will make it possible to raise the efficiency of the new State Tax Inspectorate's work.

26. Three main measures will be used to tighten budgetary control. First, the government will continue to adhere to principles of strict constraint [printsipy zhestkogo sekvestirovaniya]. In other words, spending will be restricted in line with the receipt of revenues. A treasury office will begin to function by the end of 1992 within the framework of the Ministry of Finance. The IMF will provide technical assistance in this sphere. Second, the government will refrain from creating new extrabudgetary funds, and certain existing funds will be consolidated into the federal budget by the end of 1992. Third, the government intends jointly with the Russian Central Bank to restrict the ability of local authorities to finance budget deficits through bank borrowing.

27. The government believes that the measures considered above will enable the budget deficit to be eliminated by the fourth quarter of 1992. We also intend to continue medium-term fiscal and budgetary reforms. These will include the introduction of a more effective system of taxes on natural resources and tough restrictions on all kinds of tax relief and exemptions.

B. Monetary policy

28. Credit and monetary policy will become even more strict compared with the approach adopted in the first quarter of 1992. Credit policy for the next three quarters of the year envisages increasing the nominal volume of credit at a rate in line with the expected rate of increase in inflation and with the increase in net currency reserves. This should ensure a moderate rate of increase in the granting of credits in the second half of the year, which would be enough—in a period of a possible reduction in profits—to provide enterprises with the necessary financial resources to adapt to the new price structure and market incentives. Owing to the existing uncertainty, it is not possible to establish quantitative indices for monetary policy up to the end of the year. The state of affairs in the sphere of monetary policy will be analyzed carefully and we will have a monthly discussion of it with IMF officials.

29. We expect that by resolutely conducting a strict financial policy we will be able to restore trust in the ruble as a means of savings, too. In this case, there will be an increase in savings and there will be a noticeable strengthening of the nominal rate of exchange. This latter will become the indicator of the state of the money market and may be used to assess the correctness of the monetary policy being conducted.

30. The Russian Central Bank will strive to go over as quickly as possible to a positive rate of refinancing. The method of subsidizing enterprises with the help of interest rates will not be used except in those cases when subsidies are granted directly from budget and nonbudget funds. Interest rates of commercial banks will be liberalized, although for a certain period it may be necessary to restrict the difference between deposit and credit rates. Otherwise banks having large portfolios of bad debts might try to set this differential too high in order to recapitalize. Apart from that, beginning 1 April, 1992 the government will pay a more realistic interest rate on its internal debt and this, apart from anything else, will allow the savings bank to pay higher interest rates to small depositors. Within a certain period of time interest rates will become the chief indicator regulating the investment of financial resources in the economy.

31. Before then the growth in allocation of credit basically will be restrained with the aid of the establishment of uniform ceilings on the allocation of credit to the commercial banks. A limit of 15 percent has been fixed for the first quarter of 1992, although in the event of a change in circumstances it may be reviewed. Other potential sources of liquidity for commercial banks will be limited by the introduction in March 1992 of appropriate reserve requirements for the Savings Bank, applicable to its fixed-period deposits. Additional measures are being taken to reduce surplus reserves of ready money in the banking system (see section 6). Limits on the allocation of credit may have to be used in the second half of the year too, until the Russian Central Bank achieves the required level of competence and the banking system becomes sufficiently mature to change over to a monetary system based predominantly on indirect methods of regulation. (In this field we are counting on considerable technical assistance from the IMF). In addition, when signs appear that excessive credit expansion is taking place, the Russian Central Bank will be ready to introduce additional measures to limit the allocation of credit by the commercial banks. Even if limits have to be applied to the Russian Central Bank's allocation of credit to the commercial banks for some period of time, we intend to pursue a nondiscriminatory policy in distribution of credits among enterprises and sectors. We also are counting on being given technical assistance in devising a strategy concerning enterprises' debt obligations to commercial banks which cannot be fulfilled.

32. The Russian Central Bank intends to tighten the procedure for licensing banking activity in order to prevent an excessive growth in the number of banks, to improve formal regulation, and to work out an acceptable balance between internal and external audits. Improvement of the system of mutual clearing of accounts is a necessary condition for ensuring financial intermediary activity and for creating an interbank monetary and currency market. Special measures will be taken to ensure unhampered interrepublican payments. We have asked the IMF for technical assistance to devise a new system, which will be introduced in the third quarter of 1992. In addition, the World Bank is giving us assistance in restructuring the system of commercial banks.

33. The Russian Central Bank will credit the budget deficit to an extent not exceeding 2 percent of the GDP.

(5) Incomes policy

34. From the very beginning of its activity, the government has been committed to a policy of deregulating wages. Nevertheless, bearing in mind the rapid growth of wages in manufacturing industry at the end of 1991 and the beginning of 1992, which entails the risk of increasing inflation and might lead to excessive unemployment, the government is prepared where necessary to introduce measures to prevent wages from increasing too much. Such a necessity will arise if the managers of state enterprises, which are still predominant in the Russian economy, do not firmly resist demands from their workers for wage increases: Even with a sufficiently tight credit policy, this could mean that the enterprises' financial assets will be exhausted, thus causing a deterioration in the prospects for restructuring and long-term development.

35. If there is excessive growth in wages, the government will impose a progressive tax on that part of the increase in wages paid by state enterprises which is above the norm. No limits on wages will be laid down. The tax will be collected on the basis of the wage fund, although private enterprises will not be subject to this tax, in order to create incentives for an increase in their number and for the privatization of state enterprises. This system will be applied without any exceptions. The tax rates will be

high and sufficiently progressive to prevent excessive growth in wages; we do not expect any increase in budgetary revenue as a result. The tax will be 100 percent on the first percentage point of wage increase over the norm, 200 percent on the second point and 400 percent on the whole remaining increase in wages. The limit above which the growth in wages will be deemed to be over the norm will be uniform for all enterprises liable to the tax. In the second quarter this limit for each enterprise will be equal to the amount paid out in February and increased by 70 percent of the expected increase in prices from February to April. Similarly, in the third quarter the limit will be equal to the amount paid out in February and increased by 70 percent of the expected increase in prices from February to July, and so on. The 70 percent figure needs to be approved in the process of negotiations on a general wage agreement. The tax will be paid monthly. If the price forecast is wrong or new data about the consumption fund becomes known, the tax will be revised at the end of the quarter. The tax will be paid out of the enterprises' pre-tax profits and will not be included in the cost price of output.

(6) Foreign economic policy

36. We intend as quickly as possible to introduce a system of a single exchange rate with a fixed rate for the ruble in order to create a nominal anchor that will be given a considerable role in our stabilization efforts. In time, the introduction and maintenance of a system of a single exchange rate will make it possible to increase the effectiveness of foreign trade and ensure the integration of Russia into the world economy. The success of this policy will depend on the fulfilment of certain conditions. One of the chief conditions is the achieving of macroeconomic stabilization by implementing the program of measures envisaged in this memorandum. Apart from this, in order to ensure the firmness of the fixed rate, it is necessary to accumulate sufficient currency reserves, which at the present time are exhausted. For this and also for the overall support of the economic program, external financing is required.

37. As the main step on the path to a system of a single exchange rate, we intend before 20 April 1992 to switch from the existing system of several exchange rates to a system of two exchange rates, with a single floating exchange rate to be used for all current operations, including the transfer of interest and dividends and with a separate constant exchange rate for the movement of capital. This rate, which will be higher than the floating rate, will be abolished at the same time as the introduction of the fixed exchange rate and in this way the system of the single exchange rate will be introduced. When the system of two exchange rates is introduced, enterprises will be obliged to sell at the market rate a gradually increasing proportion of their foreign currency receipts. Eventually it is proposed to raise the sale of foreign currency to 100 percent of the enterprises' foreign currency receipts. The export tax, which enterprises may choose to pay either in rubles or in foreign currency, will be 20 percent of the foreign currency receipts. Apart from that, absolutely free access to foreign currency will be ensured for importers of goods and services and also for foreign investors to transfer dividends and profits. At the same time measures will be undertaken to unify the procedure for economic activity by national enterprises and enterprises with foreign participation.

38. To increase the liquidity and effectiveness of the currency market, we will implement the follow measures before 15 March 1992: First, authorized banks will have the right to hold hard currency auctions, hard currency exchange points will be able to open throughout the country, and we will suggest to the other former Union republics that they do the same. Second, inter-bank hard currency trading sessions will be held twice a week, with the longer-term goal of holding them daily. Third, restrictions on the exchange rate banks are allowed to use in transactions carried out on behalf of their clients will be lifted. As soon as this becomes possible, non-residents will be able to buy and sell foreign currency on the inter-bank market for use in day-to-day transactions. Except for certain limitations, the banks will be granted the right to an open position on hard currency accounts, so that they do not have to act merely as agents for specific enterprises and for specific transactions, as is the case today. The gap between cash transactions, mainly involving tourism, and non-cash transactions will be eliminated by means of removing existing barriers between the two markets. In line with the new exchange rate system, the Russian Supreme Soviet is discussing a new law on currency regulation and currency controls, which will provide for ruble convertibility for day-to-day transactions for residents and non-residents alike. It is expected that this law will be adopted in March and that it will come into force on 1 April 1992.

39. A floating exchange rate will be maintained until macro-economic stabilization is achieved and hard currency reserves are brought to a level sufficient to enable a fixed exchange rate to be sustained. The government and the Russian Central Bank will strive to strengthen the ruble using instruments of monetary and fiscal policy. During this period, the economic and political risk will remain high. That is why we attach great importance to appropriate external financing of the government's economic program. In addition, the creation of a stabilization fund would increase the reliability of the fixed rate policy and boost its chances of success.

40. All export quotas and export licences (as opposed to the direct export taxes mentioned in point 26) will be removed before 1 July, 1992 except for quotas on the export of fuels, which gradually will be abolished by the end of 1993, and of goods the export of which is restricted for reasons of security. The setting of export quotas on fuels will take account of the expected reduction in internal consumption of these resources caused by the fall in production and by power savings linked with the raising of the relative prices of fuels. There will be no return to quantitative restrictions on imports.

41. These changes to the currency and foreign trade system, and also to the corresponding macroeconomic policy, will considerably improve the prospects for strengthening Russia's balance of payments. However, in 1992 the balance of payments position will remain very serious, mainly because of the crisis of solvency in 1991 and shortcomings in the economic and financial system. After the collapse of trade within the CEMA framework and the intensification of internal macroeconomic disproportions, exports fell last year by one third. As a consequence of the sharp reduction in foreign currency receipts, making major payments for debt servicing—which were made on time—and giving up short-term credits, imports fell by more than 40 percent and foreign currency reserves were exhausted. At the start of 1992, in spite of postponing the repayment of debts by agreement with official creditors and commercial banks, the situation remains very difficult. A further reduction in exports is expected since the absence of key production resources—raw materials and equipment—will cause great damage both to production and to exports. Even with the absence of any growth in aggregate imports, the requirement for external financing will be considerable.

42. We are appealing to international organizations, official creditors, commercial banks, and foreign suppliers to grant external financing. Such financing is required to maintain the necessary level of imports and for the rapid topping up of the currency reserves. Food aid and humanitarian aid is required in order to give overall support to the population, including the system of social protection of its most vulnerable strata. A stabilization fund would increase the reliability of the policy of a fixed rate of exchange. Apart from that, we are discussing the burden of external debt with our creditors.

(7) Economic relations between the former republics of the USSR

43. The government intends to develop Russia's external economic ties on a non-discriminatory basis in accordance with the principles of multilateral trade that are universally accepted in the world economy. In this connection, the government recognizes the need to preserve close economic relations with the other former republics of the USSR. It seeks to extend cooperation in all areas of interstate economic and financial relations.

44. The government of the Russian Federation intends to adopt all possible measures for preserving the common economic space, and also to refrain from unilateral steps that will damage trade. It seeks to remove quantitative restrictions in interstate trade, facilitate direct trade between enterprises, and limit the state's direct participation in trade ties. Steps will not be undertaken if they counteract market pressure leading to price leveling in different states.

45. Quantitative restrictions on deliveries to other former republics will be reduced to those goods the export of which is subject to quantitative restrictions in trade between the Russian Federation and third countries (after the review of this system: see section 6). All efforts will be made to ensure observance of existing bilateral trade agreements on these goods. Apart from that, in accordance with the arrangement made in Minsk on 14 February 1992, a court of arbitration will be created before 1 July 1992 to resolve trade disputes between the former republics.

46. As far as interstate monetary relations are concerned, the Russian Central Bank has reached an agreement with the central banks of the other former republics on the precise rules of payments and settlements, including the keeping of correspondents' accounts in the Russian Central Bank and exceeding the limits of technical crediting based on such accounts. The Russian Central Bank will strive for the coordination of a monetary policy with other central banks within the framework of the ruble zone, including the establishment of similar indicators of the issue of credits, unified rates for the refinancing of central banks and unified reserve requirements. The Russian Central Bank is ready to come to an agreement with members of the ruble zone on a uniform distribution of the issue of money. It also will come to an agreement on conducting a common policy of exchange rate of the ruble and on the mechanism for the integration of the currency markets of the former republics. The Russian Central Bank makes use of the practice of concluding special agreements on the regulated withdrawal of rubles with other republics which are planning to introduce their own currency in order that the planned indicators of inflation envisaged earlier remain compatible with the program for the crediting of the Russian Central Bank itself.

47. It is evident that the above-mentioned interstate agreements cannot be achieved through the efforts of Russia alone, and similar actions from the other former republics will be required. We note that within the range of the tasks of the IMF lies that of assisting the states in order to avoid steps that would be destructive for national or international well-being. We have in mind that the IMF will be convincing other former republics to embark on such agreements.

(8) Systemic changes

48. The government intends to undertake a whole series of structural and systemic reforms within the framework of the transition to a more open, market-oriented economy. They propose changes of a political and institutional nature in a number of spheres, including price liberalization, reform of enterprises, development of the private sector, encouragement for the development of competition, antimonopoly measures, development of the financial sphere, foreign trade, investments, and also the creation of a social security system. Apart from that, major systemic reforms will be carried out in the sphere of power engineering and agriculture.

49. Changes to the structure and to the system are essential in order to intensify macroeconomic control.

Consequently, special systemic measures will be required to achieve our aims. The government intends to complete the compilation of a plan of reforms in all the above-mentioned spheres in the very near future, no later than June 1992, with the intention of rapidly implementing them. We have already begun, and we intend to continue, discussions with the World Bank and other foreign creditors on questions of structural and sectoral reforms in these shperes. The government proposes that officials of the World Bank should give IMF officials information about the progress of the compilation and implementation of these programs. This will help the IMF officials in their anlysis of how the fulfillment of the government's economic plan set out in this memorandum is going.

50. As was mentioned above, the absence of competition in the economy, both in production and in trade, undoubtedly had a substantial effect on the extent of price rises in January. Therefore, the government intends to pay special attention to developing more competitive markets. This presupposes a complex of measures, namely: to eliminate obstacles for creating new enterprises (such as inconsistent legislation and the absence of developed real estate markets); to create a system of regulation without the restrictive requirements to license production and trade; to promptly expose and control the abuses of monopoly position. Except for natural monopolies, the preliminary regulation of prices set by monopolist enterprises in individual markets will be discontinued as of 1 July, 1992. In addition, the maximum rates of profitability will be removed. Instead of that we will concentrate on a positive program for promoting competition in conjunction with responding to the identified serious abuses of monopoly position. The 25 percent limit on commercial addition to the price, which is currently in force for state trade enterprises and which is not applied to the private sector or commercialized state shops, will be retained temporarily in order to prevent monopoly abuses and to create a stimulus for commercialization.

51. As has been noted already, we intend to embark on the privatization of state enterprises as quickly as possible. In the first stage, the emphasis will be on the swift sale of small enterprises and shops, with the help of open competitions or auctions. The privatization of large industrial enterprises undoubtedly will proceed more slowly than that of small enterprises and organisations in the trade and services sector. The conversion of all enterprises with more than 200 employees into corporations will be carried out as quickly as possible; this will force them to subject themselves to market discipline and will facilitate a strengthening of management during the period when their future will be decided. We also intend to prepare a detailed draft program for massive privatization which could be implemented by the beginning of 1993. This program will be based on the following fundamental principles: a) free privatization coupons will be circulated widely to ensure wide support for the privatization program; b) workers will be granted a share in the ownership of an enterprise, but not a controlling share; c) restrictions on the privatization of individual enterprises and industries will be reduced sharply; d) restrictions on participation by foreign investors will be removed, in the main; e) privatized property will include the land on which it stands; f) incomplete construction projects will be subject to a special tax to provide an incentive for their completion or sale. The creation of a collective (indivisible) form of ownership is possible only as an exception.

52. In order to reduce the scale of direct state intervention in the economy, compulsory state orders have been abolished. The remaining benefits to enterprises supplying output to the state will be reduced significantly in the course of 1992. All other elements of the centralized distribution of material resources will be removed by the end of 1992.

53. With a view to stimulating agricultural production and extending privatization to economic activities in rural localities, the president's decrees on land reform in agriculture and the restructuring of collective- and state-farm enterprises were adopted on 29 December 1991. We intend to implement these decrees fully over the next two years and currently are adopting the necessary organizational measures for this purpose. We hope to complete the privatization of the system for the distribution of resources for agriculture and the food industry by the end of 1992. Substantial efforts also will be made to demonopolize and privatize both the processing sphere and the wholesale trade in food.

(9) Analysis of the program's implementation

54. The economic program described in this memorandum was worked out in a situation of great indefiniteness. The Russian Government counts on the further assistance of the International Monetary Fund in adapting and correcting this program as events develop and additional information is received. If circumstances require, the government will opt for the reinforcement of the policy of reforms. The receipt of external financial help for the backing up of the economic program is also indefinite. Major parameters of this program will be reconsidered depending on the level of external financing. This will be done in such a way so that the achievement of stabilization and other aims of the program is ensured.

55. The government is convinced that its policy and program answer the specified objectives, but it will adopt additional measures as necessary. During the period the program is being implemented, the leadership of the Russian Federation will be maintaining close ties with the IMF, which will monitor the program's fulfillment and the attainment of the goals set out in this memorandum. It is expected that IMF officials will analyze the fulfillment of the program in April, July, and October 1992. Special attention will be given to the degree of

fulfillment of measures required to achieve the fulfillment of the objectives outlined in the program, and also the degree of development of the necessary instruments of economic policy.

[Signed] Ye. Gaydar, deputy chairman of the Government of the Russian Federation

[Signed] G. Matyukhin, chairman of the Central Bank of the Russian Federation

Yeltsin 'Vacation' Linked to Congress

MK0503093992 Moscow NEZAVISIMAYA GAZETA in Russian 5 Mar 92 p 2

[Mikhail Karpov article: "Yeltsin Takes Time Out Ahead of Battles With Parliament Coming Up at Next Congress"]

[Text] As already reported, the Russian president has left "for a scheduled short vacation in the city of Sochi." But it would be utterly naive to suppose that this will be a perfectly ordinary vacation on the Black Sea coast. As has already repeatedly happened, Yeltsin has found it necessary to go off on his own again for precisely the opposite purpose—to prepare to make exceptionally important decisions. I am afraid that some people may remark sarcastically that in prosperous countries the head of state acutely needs the closest possible contacts with the public, but in Russia he needs to be isolated from it.

I think that, even given the extremely difficult conditions that will prevail at the Congress [of Russian People's Deputies], where attacks will be mounted on all fronts—the extent of the president's powers, the extremely unpopular actions of the government, the draft new constitution, and all the rest—Yeltsin will be able to make correct use of his vacation to prepare for this and as a result will win this round of the struggle too. After all, he has already repeatedly proved his ability to gain the political edge even if his answers to extremely complex challenges are clearly unsuccessful at first glance.

And the situation is indeed complex. In practice, it is universally believed, the democratic movement has been growing not stronger but weaker since August. It is engaged in the permanent regrouping of its individual detachments and in creating more and more new blocs, coalitions, and alliances, which by no means benefits its strength and cohesion. Conversely, national-patriotic and neocommunist forces are constantly building up their potential and strengthening their influence on society, and their popularity is constantly growing.

The democrats, clearly no longer believing in their own ability to reach agreement among themselves, are beginning to pin increasing hopes on the president himself. Remarks are increasingly often heard to the effect that whereas before it was they who helped Yeltsin, now it is time for him to help the movement. There are even some hopes that even before the Congress the president will announce the creation of a new movement in support of his own course and will even become head of it himself. If this does indeed form part of his plans, the president will doubtless devote some of his draft "vacation" to this.

However, the possibility of such a development is by no means certain. After all, though Yeltsin would gain real mass support via a new movement, he would at the same time lose one of his main trump cards—the posture of a statesman standing above all political battles and able from his lofty position to play the role of arbiter across the whole spectrum of Russia's problems.

But, on the other hand, Yeltsin has already demonstrated that he has no fear of linking his name if not to a specific political current, then at least to a specific team. Incidentally, he still by no means thinks it was a mistake to have decided to head the present government, unlike many people. Moreover, the president continues to claim that at present it is simply essential for him to be linked with the government. When the situation changes, in his opinion, the government may need a "separate" premier. Clearly, it would be an unforgivable mistake on Yeltsin's part not to prepare for this, and he will almost certainly analyze all the possible scenarios in Sochi.

The hardest battle at the Congress will certainly be that surrounding the adoption of the new Russian Federation Constitution. Oleg Rumyantsev, senior secretary of the Constitutional Commission, believes that the commission's draft makes it possible to prevent destruction of the Federation from within. Clearly Yeltsin too subscribes to that opinion; however, he believes that a Federation Treaty should also be concluded as well as the constitution. In this event the president will try to calculate scenarios for his actions in order to win over a majority at the Congress.

It is perfectly possible that a final decision on whether to implement the idea of convening a political conference of all parties and groups [sosloviya] ahead of the Congress in order to elaborate common tactics of struggle at it or at least to agree a common viewpoint on individual points—an idea that recently had some success in Russian political circles—will be made in Sochi. Of course, in this regard not everything depends on Yeltsin alone, but he too must make up his mind.

The president will also probably use the "scheduled short vacation" to examine specific economic problems. For instance, the progress of the agrarian reform is giving many people every reason to believe that matters here are the result of direct sabotage. It has been learned that Yeltsin is actually inclined to make an example of the most zealous saboteurs as a lesson to others.

Representatives of the industrial lobby, who find themselves beneath the sword of Damocles of upcoming privatization, are not lagging behind their colleagues in the countryside. The quest for measures aimed at overcoming their opposition to reforms will require the

greatest caution and resolve on the president's part. His decisions will primarily relate to the dominance of enterprises which enjoy a monopoly.

Yeltsin: Political Confrontation 'Inadmissable'

LD0403193392 Moscow TASS in English 1850 GMT 4 Mar 92

[Text] Moscow March 4 TASS—Russian President Boris Yeltsin told a Moscow magazine, MIR ZVEZD (The World of Stars), that under current circumstances political confrontation was "inadmissible". Yeltsin wrote a letter to the magazine, whose readers named him the most popular politician in 1991.

The letter said further that the confrontation would "only sap our strength without yielding any fruits".

"Difficult but necessary economic reforms are currently under way in Russia", he continued.

"Of course," Yeltsin wrote, "one would like to have immediate results, but lightning changes for the better happen only in fables." To make them a reality, "one needs to advance on the road of reform stubbornly, step by step."

Yeltsin Decree Ensures Credits for Farmers

OW0403201392 Moscow INTERFAX in English 1916 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] Russian President Boris Yeltsin has issued a decree ensuring 12% credits for the republic's farmers for buying machinery, fuel, spares, and seed grain necessary for efficient sowing and harvesting this year.

Farmers will be able to buy seed grain for 1991 prices.

The decree allows farms to invite students and workers from urban enterprises to help lay in fodder and gather in harvest on a contract basis, and instructs the armed forces to lend 20,000 lorries for the harvesting.

Additional hard-currency funds are to be allocated for the import of machinery, equipment, spares and crop-protecting chemicals. Enterprises in the agro-industrial complex will be exempt from customs duties if they import seed grain, crop-protecting chemicals, and machinery in exchange for the raw materials they export.

People's Deputies, Government Meet 3 Mar

MK0403141592 Moscow KURANTY in Russian 4 Mar 92 p 1

[Lidiya Malash report: "Gaydar Is Confident: Everything Going According to Plan"]

[Text] The traditional meeting between Russian people's deputies and the government took place yesterday in the White House. This time questions of radicalizing the course of economic reform were discussed. Forces are being regrouped today within the executive structure in favor of the local authorities. There have also been cadre changes in the managerial cabinet: Valeriy Makharadze, former head of the control administration, has become deputy chairman of the government for operational construction and his place has been taken by Yuriy Boldyrev. Doctor of Economic Sciences Yevgeniy Yasin has been appointed the government's plenipotentiary representative to the Supreme Soviet. But the most important thing is that the Cabinet of Ministers has submitted its memorandum. This document produced by the government itself and the Central Bank is a kind of declaration of their joint intentions.

According to Ye. Gaydar, no one in the world doubts that Russia will be able to restore its financial reputation. However, we do not currently have liquid resources, which only the IMF and the International Bank can provide after studying the government's program. The memorandum effectively continues the Russian Government's avowed course of economic reform. It makes provision, in particular, for further liberalization of prices. It is above all a question of freeing prices for energy sources. An economically paradoxical situation has taken shape whereby a tonne of oil costs as much as in our country as 4 kg of meat. At world prices this is equivalent to roughly 7 percent of the world cost of oil. The government intends to relax prices for energy sources at the end of the cold season. But then there is the question: Will it then prove possible to keep down prices for other kinds of output?

Gaydar is sure that all will end well. Admittedly, this confidence is not shared by certain deputies who reproach the deputy premier for the fact that in this "free economy" people can no longer breathe freely. Gaydar does not accept these recriminations. "I never promised anyone that life would be easy," he said, "but everything is going according to plan."

But the plan is to pursue a fairly tough line which will require flexibility and effort from all sectors of the national economy. The first steps to stabilize the economy are as follows: support for the republic's fuel and energy complex, funding for agriculture, and several specific [adresnyy] financial injections. Then by the end of the year Russia may be able to restrict the pace of inflation and obtain major economic support from Western countries.

Gaydar Remarks on Reforms

LD0503131192 Moscow Radio Rossii Network in Russian 1700 GMT 4 Mar 92

[Report by Nikolay Artemyev on comments by Yegor Gaydar, deputy prime minister and minister of finance, to Russian deputies in Moscow; date not given; passages within quotation marks recorded]

[Text] [Artemyev] Yegor Gaydar, deputy prime minister of the Russian Federation responsible for economic

reform, has addressed deputies at the Russian White House on the present status of economic reform. This occurred during the latest meeting between legislators and members of the government. Providing a general picture of the economic situation, Yegor Gaydar said, in particular, that the main factor behind the recent fall in output is the sharp reduction in imports. He also stressed the importance of pursuing a clear credit policy.

[Gaydar] "In essence, although we have managed recently to activate a number of investment credits with varying degrees of success and, it seems, to make a slight start on tackling the oil problem, on the whole there is today no way of creating the necessary conditions for restoring industry other than by launching the minimum credit resources that we need."

[Artemyev] Further on in his speech to the deputies, Yegor Gaydar gave a detailed account of the government memorandum that reflects the main areas of economic reform currently being implemented.

[Gaydar] "Now for the principal ideas contained in the memorandum: It is essentially the same position that our government proclaimed right at the start and began to put into practice. There is no radical turnaround here. It is a continuation and a development of the same policy, a strengthening of it, and a solution to specific problems which it was impossible to solve before.

"What are these principal areas? The first is further deregulation of prices. In essence, it is life, and not the International Monetary Fund, which is pushing us toward this. Today we simply do not have the financial resources to maintain the low level of prices on those goods for which they have remained fixed. Therefore, local authorities have already, de facto, lifted controls on some of these prices to a significant degree, or else they regularly come to us in the government to ask us either to allow them to deregulate them or to tell them from where they are to get the financial resources. We cannot answer the second question, so we have to give an affirmative answer to the first. In other words, we are compelled to give that permission, because we cannot take money to guarantee those fixed prices. Bearing in mind that the situation in the consumer market has now considerably stabilized, and that restraints connected with aggregate demand, simply in terms of money, have become noticeable and are being felt, we do not expect or think that the unfreezing of prices will cause a serious upsurge in inflation.

"A more serious and more complicated problem is the situation regarding energy. In economic terms, this is immeasurably more important than the price of salt, matches, or even bread. To a significant extent, the current extremely low level of prices for energy has become a shock-absorber enabling a whole selection of industries to enter and to adapt to life in new conditions more gently than they would in the case of a complete revolutionary avalanche. But the cost of this is high. Today, even with the exchange rate for hard currencies already beginning to fall, the average cost of a tonne of oil in real terms is roughly 7 percent of the world price. This means the disproportions that we used to have in prices for energy have been preserved in full and have even grown firmer, to a certain extent. This cannot be maintained for the long term; it gives the national economy an unthinkably false impetus. All economic decisions based on such proportions are patently untenable, and this is quite apart from the fact that we will never be able to contain the social situation in the oil-producing industry if we try to carry on with today's extremely low level of prices for oil and oil products. Regarding our oil and oil products now, one tonne of oil actually costs, officially, just as much as four kilograms of meat. That is a fantastic ratio for a world where it ought to cost at least the same as 50 kilograms of meat. In this regard, at the end of the cold season we are planning to implement measures aimed at deregulating energy prices. Naturally, it is planned that regulations will be kept for gas and electricity, because they are monopolies, but here too we will have to raise prices. We are studying various options for oil and, most importantly, for coal, and we will deregulate them.

"The main problem is whether we will manage to keep down the prices of other types of products. In general it is quite possible to do this today, and there are no obstacles to our unfreezing prices on fuels while ensuring extremely low rates of rises in prices on the remaining range of prices.

"The trouble is that this will be a very hard blow to production in the energy-consuming sectors. It is precisely for this reason that we have to somewhat alleviate the financial and monetary policy during the period of introducing free prices on oil so the national economy will adapt to this new level. In fact, we have room to maneuver, and we believe the jump in prices will be 50 to 70 percent of their average at the moment of unfreezing. But then it will really be possible for us to avoid any further sharp movements without jumps in prices—after that all prices will be free, the economy will already be able to breathe. From then on we will be able consistently, step by step, to bring the level of prices of fuel and power to the world level, to lower export tariffs, and create conditions for the power consuming sectors, over the next year and half, to adapt gradually to world fuel prices.

"But, speaking seriously, at present we do not intend to bring the level of prices to the world level. We hope to reach about a third of the world price. For the rest, we will remove export tariffs so the supplies of oil for export and for the internal market will be equally advantageous.

"A most important condition allowing one to hope that such a policy will work normally is the preservation of macroeconomic stability. At present we have mainly removed the monetary overhang without putting this mechanism into operation; we can adopt a somewhat more gentle approach to financial questions. We have to remain as strict as before and there is just as little room

for maneuver as before. But all the same, we do not have the task in the second quarter for the budget to be deficit-free.

"The second aspect that is fundamentally important for us is the steps aimed at opening up the economy, at removing all the quantitative restrictions that still restrain our export activity. You know that a vast proportion of the requests that come in to you from enterprises and then to us are connected with quotas on exports. Here, without any doubt, the system of allocating quotas is excessive. We impose far more quotas than necessary."

[Artemyev] The vice prime minister particularly stressed the importance of social measures in Russia.

[Gaydar] "The measures that we are proposing are connected with raising the efficiency of the mechanism for social compensation. It is first of all a question of the system for supporting the unemployed. It is well known throughout the world that an indiscriminate and wide-ranging program for supporting the unemployed which is not orientated toward bringing them back into the production process and the retraining of cadres is simply a path toward very high unemployment. It is precisely for this reason that we do have any doubt about the need to orientate all of these programs on returning as many people as possible to employment. This is reflected in the memorandum. Further, it mentions other social problems for which we consider that help to the poor should be targetted as much as posible."

[Artemyev] In conclusion, Yegor Gaydar described the government's policy as strict and requiring flexibility from all links of the national economy, but at the same time making it possible to create the conditions for restoring the normal work of industry. These are the fundamental ideas that were heard from Yegor Gaydar, deputy prime minister for economic issues, during a routine meeting at the White House with people's deputies and members of the government.

Further on Gaydar Address

PM0503133592 Moscow IZVESTIYA in Russian 5 Mar 92 Morning Edition p 2

[Ivan Yelistratov report: "Everything Indeed Clear With This Government"]

[Text] At a meeting with Russian deputies Tuesday Vice Premier Ye. Gaydar stood his ground confidently and firmly, even though he made no secret of the fact that considerable difficulties are in store for the Russian economy.

"I have no questions for this government, everything has long been clear to me with this government"—that was what Deputy S. Baburin said back in mid-January during a discussion of the budget for the quarter. The hint was understood—everyone was talking about R. Khasbulatov's "flowery" description of the Gaydar team as "boys in pink pants."

Now the Russian Government already has a "past"—it is two months since the economic reform began.

Speaking to the deputies, Ye. Gaydar clearly hinted that the government has no illusions at all about certain changes—the ruble's rise against the dollar, for instance. This fact is just a kind of indicator signaling that the strategy is right. The ruble could "fall" again in the very near future—in April, when energy prices will be allowed to float. But, the vice premier said, the government is in control of the situation and has even built up some reserves in the past two months which make it possible to regulate the severity of administrative decisions should the need arise to maneuver resources and finances.

Judging by everything, the government itself is learning the "stick and carrot" method in the course of the reform. For instance, in connection with the energy price liberalization, Ye. Gaydar promised to ease the financial pressure on producers and entrepreneurs and to review some tax decisions. In the first quarter the government's strict, if not severe, monetary policy made it possible to halt the money printing presses for the first time since 1986. No major surge in inflation is expected in April-May, and there may even be an opportunity to somewhat smooth over social problems. The freezing of 40-percent compensation and the revision of the size of pensions and pay rates in budget sectors are just some of the measures planned.

Incidentally, only oil and coal prices will be "freed." Gas and electricity prices will be increased but will remain under state control for the time being. The long-term task is to bring energy prices up to world pricing levels.

Ye. Gaydar particularly highlighted the importance of the Russian Government's "Economic Memorandum," which has been drawn up for submission to the IMF. The vice premier instantly nipped in the bud any possible attacks from populistically minded "patriotic deputies" accusing the president and government of "dancing to the IMF's tune." They accuse the IMF of dreaming of how to rob the Russian people. "There is nothing easier today than striking a pose as a campaigner for the people's happiness—such a pose looks good but is irresponsible. None of these 'campaigners' has specifically shown us just how to save everyone."

Ye. Gaydar's confidence did have an impact on the deputies. The latest (and expected) parliamentary "assault" on the government did not take place, even though you got the feeling that some people would very much like to berate the reformers—on the subject of social protection for the population, for instance. The vice premier unambiguously hinted that this work should mainly be tackled by local authorities—in the very near future they will be given the appropriate

powers for this purpose, and a distinction [razgranicheniye] between the federal budget and local budgets will be introduced as of the second quarter. The center's main task is to preserve [soblyudat] the unity of foreign economic and monetary policy.

In no way does this mean that the government is avoiding the "microeconomy" at enterprise level and will only deal with the macroeconomy. But the market is the market—everyone must learn to earn a living independently.

So is everything really "clear with this government"? Judging by everything that has been done or is planned, and judging by the firm intention not to change course—yes, everything is clear. It is clear that the hardest time still lies ahead, but the government is not scared of stating this, and it is handling the levers of reformist decisions with ever-increasing confidence.

At the same meeting G. Burbulis announced a number of changes to the government which, even at first glance, testify to the Russian president's firm resolve to implement reform by relying on qualified and prestigious people. V. Makharadze has been appointed deputy head of the government for operational administration—his former post of chief of the Control Administration will be taken by former USSR People's Deputy Yu. Boldyrev, who is known for his punctiliousness, honesty, and devotion to democratic reform. Doctor of Economic Sciences Ye. Yasin has been appointed as the government's plenipotentiary representative in parliament instead of G. Burbulis. Yasin was one of the authors of the "500 Days" program, and has worked for a long time with G. Yavlinskiy.

Court May Rule Against Yeltsin Over CPSU Ban

MK0403131292 Moscow NEZAVISIMAYA GAZETA in Russian 4 Mar 92 p 2

["Forecast" by Mikhail Karpov: "Yeltsin May Not Only Be Attacked by Parliament. Constitutional Court May Quite Possibly Attack Him"]

[Text] The Russian Constitutional Court now finds itself on the verge of another achievement after abruptly stating its unequivocal position and unconditionally ostracizing President Yeltsin's decree setting up the Ministry of Security and Internal Affairs. As you know, it is to assess the president's fairly controversial decree of 6 November last year banning the activity of the CPSU and the Russian Communist Party. But that is the purpose of the Constitutional Court—to correct the decisions adopted by any official regardless of their penchant for resolute actions and the time when they were taken. But as far as this step by the Russian president is concerned, we are dealing with a quite separate phenomenon. It seems that not only the fate of a concrete decision and a concrete party will depend on the evaluation of the decree's constitutionality, but also the future of a concrete state—Russia.

As you know, the basis for the examination of the constitutionality of the president's decision was a petition from a group of people's deputies submitted to the Russian Constitutional Court, confirming once again the obvious truism that it is not only ardent Yeltsin supporters that sit in the Russian parliament. The appeal's main argument is that the content of the decree "contravenes the principle of separation of powers established in the Russian Federation and the demarcation of competence between RSFSR supreme organs of state power and management enshrined in the RSFSR Constitution."

In this context we are once again dealing with the problem of a Constitution that has indeed become the talk of the town. However, whatever you do, the claims that "in suspending the activity of the CPSU and the Russian Communist Party on Russian territory, President B.N. Yeltsin was suspending the activity not of a party but of a vast party state in which all structures were not only permeated by the capillaries of primary organizations, but were linked together, forming a hierarchy," must sound merely emotional to the Constitutional Court. They fall totally to pieces when they come up against the law and a constitution in which the president's powers do not include powers giving him the right rather than a reason to suspend or ban political parties' activity.

The Russian Constitutional Court will obviously simply be forced by its very status to deem Yeltsin's decree [illegible]na. Several opportunities to legally prevent a return to the old ways are being overlooked. First: The Constitutional Court itself should come back to considering the communist parties' activity after abrogating the decree in order to adopt a legal decision totally in line with Article 22 of the existing Constitution. Second: After abrogating the decree, it should wait for these organizations to take actions sufficient to warrant a ban on them, which—the recent communist hyperactiveness gives us grounds to think—will not require us to show great patience. Third: The case should only be considered after a new Constitution that is entirely in line with the hopes pinned on it is adopted, that is, a constitution containing articles giving the president grounds for adopting similar decisions.

The latter seems the worst option, if you bear in mind the fact that the present Russian parliament is by no means unanimous in thinking that the Russian president does not have enough powers. A public trial of the CPSU could do the first scenario an invaluable service, but after flaring up like a new star, this idea rapidly burned out.

It seems altogether unlikely that Russian society, which is clearly far more preoccupied with economic problems, would unanimously direct its gaze to the root of the problems that it has to resolve. After all Marx' "being determines consciousness" clearly dominates its sentiments. This gives us every reason to think that the blow that the Constitutional Court will almost indisputably

inflict on Yeltsin is hardly capable of reducing the Russian president's popularity.

New Russian Constitution Encounters Problems

PM0403161992 Moscow ROSSIYSKAYA GAZETA in Russian 26 Feb 92 First Edition p 1

[Aleksandr Linkov report under "Sixth Congress Agenda" rubric: "A Compromise Has To Be Found"]

[Text] Less and less time remains until the start of the Sixth Congress of Russian Federation People's Deputies, but there is plenty of debate over the draft new constitution. This will undoubtedly be one of the hardest issues. This is also borne out by the fact that it features on the Congress agenda in quite a streamlined form: on the Russian Federation Constitution. The draft's authors are under real pressure from all sides. Above all, from representatives of the republics and the former autonomous entities. The main reasons for rejecting the draft were expounded quite clearly during the parliamentary hearings on Russia's national-state structure, which were jointly organized by two factions—"Smena" (New Politics) and "Sovereignty and Equality."

It is the chapter on the Russian Federation's national-state structure that is the main bone of contention between the supporters and opponents of the new constitution. The factions' representatives and their experts believe that the proposed model will serve to further divide Russia, not to unite it.

Moreover, the adoption of the new constitution can give a strong boost to the formation of new states.

The poor regard for national interests in the draft constitution is not the fault of its authors but the fault of our system that has been in existence for decades. It was as though the nationalities question did not exist during all that time. The result is a tough rejection of many present initiatives "from above" and an assessment of them as infringing one's own rights.

The draft's authors also have their own convincing arguments. But the course of the parliamentary hearings showed that they will have to withstand a real battle at the Congress. What is more, the idea is being cherished of creating a "shadow Constitutional Commission." I believe that the deputies at the congress will have sufficient wisdom and patience to find the way out of such an extremely complex situation. In any case, we cannot go on living without a constitution, particularly at a time of radical reforms—both political and economic.

More on 27 Feb Security Ministry News Briefing

PM0403154592 Moscow IZVESTIYA in Russian 28 Feb 92 Morning Edition p 2

[Journalist Andrey Grigoryev report: "Lubyanka Spooks Answer Questions"]

[Text] The briefing held 27 February in the hall of the Security Ministry's Public Relations Center was really something to see and hear. Domestic and foreign journalists managed to clear up two sets of questions and problems that interested them.

First: In the chaos and confusion of the post-putsch modernizations (ISS [Interrepublic Security Service], FSA [Federal Security Agency], MSIA [Ministry of Security and Internal Affairs], FIS [Foreign Intelligence Service], etc.), were the former KGB archives really left unattended, a state of affairs that could not fail to have been exploited by interested parties from the special services? And finally, is A. Pankov, chief editor of KURANTY, right to claim that if your telephone "clicks" it means that somebody is listening to you or your interlocutor?

Judging by the firmness with which Public Relations Center chief Andrey Chernenko and a representative specializing in the archives of the Security Ministry department tried to persuade those present that there has never been a sale of Lubyanka archives, nor are they currently being sold, and that leaks of strategically important documents have not occurred, then this is close to the truth. Leaked information of another kind is quite another matter—about the former KGB agency that operated in clerical and intelligentsia circles. In this instance the official version is in need of clarification.

"Nobody has officially confirmed or denied the conjectures made by some politicians," Major General A. Gurov, doctor of juridical sciences, Russian people's deputy, and deputy chief of the Russian Federation Security Ministry Public Relations Center, noted. "No country in the world manages to do without an agency of this kind. And indeed, the longer it is guided by executive orders in our country, the longer the 'vicious practice of tyranny [bespredel] and recruitment will exist.'"

The press service's answer to the question raised earlier by Pankov about telephone tapping sounded extremely evasive. For greater objectivity, the organizers of the briefing invited along a specialist from the Ministry of Communications, who gave a very competent explanation that "clicking" is a perfectly ordinary occurrence in telephone communications and that state security techniques are sufficiently sophisticated not to give themselves away. But since there is no law on operational investigative activity at present, in the opinion of all those present violations are possible.

Official Interviewed on Tax Policy, Plans

PM0403163992 Moscow ROSSIYSKAYA GAZETA in Russian 4 Mar 92 First Edition p 1

[Interview with Sergey Gorbachev, Russian deputy minister of finance, by unidentified ITAR-TASS correspondent; date and place of interview not stated: "Burden of Taxes Will Be Felt by Everyone"—first paragraph is introduction]

[Text] The system of taxes in Russia has begun to operate more precisely. That is the viewpoint of Sergey Gorbachev, Russian Federation deputy minister of finances, voiced during a talk with an ITAR-TASS correspondent.

[Correspondent] For the first time in Russia taxes have been divided into three types: federal, republican (territorial), and local. What is the reason for introducing the new system and does this mean that there are now more taxes?

[Gorbachev] In the former Soviet Union there was the same distribution of taxes, but it was far tougher and more centralized. Even those taxes which were called local in union legislation were set "from above," in Moscow. In contrast, our law on the foundations of the tax system is aimed at expanding the rights of Russia's local organs of power.

In saying that there are now more taxes one cannot approach this arithmetically: After all, the situation is changing in the country.

[Correspondent] Nonetheless, today the government is being criticized on various sides. There is also mention of the "stifling of entrepreneurship" and "the resurrection of the diktat of the center."

[Gorbachev] Criticism largely comes from a lack of knowledge or understanding of the provisions of the taxation system. Surely it is no secret that it is not those who produce output but the intermediaries whose incomes are by no means commensurate with the effort made?

If we are speaking of the producers, then in my opinion the system of taxing income and profit basically ensures their material interest. The tax on profit has remained at the same level as in the former Union law—32 percent. It may also be said that the regime for taxing industrialists and entrepreneurs has become more liberal. The government has introduced new benefits designed to stimulate production. For instance, that part of assets which is channeled into producing consumer goods, food, medical supplies, and equipment for conversion is excluded from taxable profit.

RSFSR Law Amends Banking Activity Legislation

PM0403153792 Moscow ROSSIYSKAYA GAZETA in Russian 26 Feb 92 First Edition p 2

[RSFSR Law No. 2033-1 "On Additions to the RSFSR Law 'On Banks and Banking Activity in the RSFSR,'" signed by RSFSR President B. Yeltsin and dated Moscow, the RSFSR House of Soviets, 13 December 1991]

[Text] In connection with the adoption of the RSFSR Law "On Taxation of Banks' Incomes" the RSFSR Supreme Soviet resolves:

I. Article 18 of the RSFSR Law "On Banks and Banking Activity in the RSFSR" is to be supplemented by subpoint "3" as follows:

"3) refusal to fulfill the RSFSR State Tax Service's instructions to pay without dispute the taxes and other payments due to the budget system—on a representation from the chief or deputy chiefs of the RSFSR State Tax Service."

II. This law is to come into force the moment it is published.

[Signed] RSFSR President B. Yeltsin

[Dated] Moscow, the RSFSR House of Soviets, 13 December 1991

Price Reform Impact in Feb Assessed

PM0403134192 Moscow ROSSIYSKAYA GAZETA in Russian 3 Mar 92 First Edition p 2

[A. Yevgenyev article under the rubric "Stop, Look Back: February": "Let Us Try To Be Optimists"]

[Text] Against the background of an explosive January, February seemed if not meek and mild then at least a relatively calm and reflective month. The population, it seemed, has adapted to the new high prices and to the very modest addition to the stocks in the stores. The dramatic effect in the form of a huge influx of goods, as seen in Poland and Bulgaria, for example, has not happened in our country. Indeed, obviously it could not have happened. The private farmer has still not had an opportunity to really have an impact. Only a quarter of the republic's trade enterprises have switched to a commercial basis—let alone to private trade. The state monopoly of industry is still a mighty and impregnable bastion—it still has to be destroyed. Suggestions about incalculable stocks of goods hidden away at depots from which each of us could expect at least something proved slightly exaggerated. Briefly and soberly, therefore, price liberalization has so far given the ordinary citizen as much as it could in our conditions. In the absence of the other elements of the economic reform.

Admittedly, Gaydar and his colleagues do not tire of blithely stating that everything is going according to plan and that they are satisfied with the course of the reforms. But whereas in January assertions of this kind were taken with philosophical understanding, in February they began to arouse criticism. The government was accused of a dreadful sin—showing undue optimism. However, only time will show how justified that optimism is. Public statements by leading economists and financiers give the impression that the Russian leadership is aware of the path that it has taken and intends to see it through to the end. But with its eyes open wide, as it were. It is not hard to see, for example, that high taxes and a rigid credit policy will bring hundreds of enterprises to the brink of bankruptcy. On the one hand, this is good—only the strongest must survive, not those who are used to

dipping into the public kitty or who cannot cope with market conditions. On the other hand there is the danger that the economy, whose foundations are shaky as it is, will collapse. In such conditions, Economics Minister Andrey Nechayev stated recently, we will have to monitor the situation closely and, possibly, agree to credit concessions and tax benefits for individual sectors of the national economy.

Clearly, the looming financial crisis connected with the enterprises' shortage of resources will be the government's second durability test after the price liberalization. It is not going to be easy for Gaydar and Nechayev. Even now they are being accused of nothing less than wrecking (!) the economy, although they repeat whenever they can that, in the first place, you cannot wreck that which is already wrecked, and, second, strengthening the ruble and simultaneously preserving acceptable rates of production is inconceivable. Something has to be sacrificed. The Russian leadership's preferred sacrifice is well known.

Unfortunately in February it did not prove possible to substantially reduce the scale of money emission. According to preliminary estimates it exceeded 30 billion rubles [R]. In other words, more and more money is being put into circulation. But the important thing is that in the main this money meets the increase in incomes and prices and is not used to cover the budget deficit.

With such a development of events, of course, the question of cash has become acute. There are not enough banknotes for cash transactions and the payment of wages. But delayed payments in February were approximately one-third of the figure for January. Trade revenue has increased—people have grown accustomed to the new prices and have dipped into their reserves with the result that money has poured into the trade network and from there to the bank. The system of payment by check is being introduced increasingly extensively. That is why, in the words of Aleksandr Zinchenko, director of the Central Bank of Russian Main Administration for the Regulation of Money Circulation, there is reason for thinking that the cash shortage will end in March.

But the main factor encouraging the government's optimism is the steady rise in the rate of the ruble [R] against the dollar. This means that the ruble is not dead and can still be resuscitated. At the latest currency exchange auctions on 25 February the ruble rose to 139 to the dollar whereas a week earlier it was R170 to the dollar. The government considers this transformation a direct consequence of the rigorous financial policy that it is pursuing. Admittedly skeptics, of whom there are quite a few, are asking: Is this not a manifestation of that same exaggerated demand, only the other way round this time, which once made the ruble worthless? The government, however, is standing its ground, arguing that the revival of the ruble is a stable process. At a recent press conference, Nechayev even offered a wager, claiming that there will be no reversal here and that in the near future the rate is more likely to rise to R50 to $1 than to fall to R300.

Prices continued to rise in February, as was also expected: In the first half of the month they rose 10-15 percent. To all appearances we will have to go on living with inflation for a long time to come. The liberation of prices for commodities which were regarded as fixed is in the offing. This will apply first and foremost to coal and oil. Each operation of this kind will be accompanied by a surge in inflation. Yet at the same time it is planned to substantially increase the salaries of doctors and teachers and begin paying R200 compensation to pensioners. All this, experts believe, threatens to raise the level of the population's effective demand and consequently trigger another rise in retail prices in the consumer market.

There is another danger awaiting reformers from a direction they least expected. More and more autonomous formations and regions in the republic are declaring their desire to live under their own laws and to ignore the center. I do not mean Tataria or Chechnya but Buryatia which, without subterfuge, simply abolished value added tax across its territory. If things go on like that Russia can expect the same fate as the former USSR. Meanwhile, this is more a question for the politicians than the economists. But as you yourselves will understand, this question is bound to affect the future of the reform.

Inspection of 'Several' Commercial Banks Begins

LD0403134492 Moscow TASS in English
1257 GMT 4 Mar 92

[By ITAR-TASS correspondent Pyotr Tsyrendorzhiev]

[Text] Moscow March 4 TASS—The Central Bank of Russia initiated a large-scale financial inspection of several commercial banks, licenced for hard currency operations, in search of illegal investments abroad, Dmitriy Tulin, deputy chairman of the Central Bank of Russia, told TASS on Wednesday [4 March]. The search will be carried out by a major financial organisation which has a big experience in the sphere, he added without disclosing the name of the organisation.

Banks and enterprises are obliged by a decree of the Russian president to sell 40 per cent of hard currency revenues to the state, but some of them try and conceal hard currency profits by keeping them abroad, Tulin explained. The 40 per cent tax, paid according to a fixed rouble exchange rate, is a "rent for using natural resources", he said, adding that raw materials and fuel resources extracted from the earth, which is state property, comprise the bulk of all exports. "The decision on searching for the concealed finances therefore corresponds to international practice and legislation", Tulin stated.

But the banker believes the total sum of hard currency resources kept abroad is three times less than reported by several foreign mass media. "The sum of 15-25 billion U.S. dollars is an exaggeration", he said.

Gold Artels' Problems Remain Despite New Law

PM0503142392 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1900 GMT 1 Mar 92

[From the "Itogi" newscast: Report over video]

[Text] [Unidentified correspondent] World experience has shown that it is impossible to create a market economy without accurate and up-to-date information on the reserves, extraction, and price of gold. For the past 70 and more years, gold was one of the most closely guarded secrets of the powers that be.

Therefore, Grigoriy Yavlinskiy's statement after the August putsch that the country's gold reserve totaled 240 tonnes was a real bombshell. After all, this is only what the country produces on average in a single year. That is to say, it is so little that it hardly deserves to be described as a reserve.

Here are some figures for comparison purposes: In 1913 Russia's gold reserve totaled 25,664 tonnes. Incidentally, this information was not classified before the revolution.

Over the past six years gold extraction has literally been declining. This was one of the consequences of the cost-driven economy. In our country the prime cost of gold has always been higher than its market value.

However, alongside monopolistic enterprises, gold prospectors' cooperative associations—artels—have always operated in our country. They were working remote, poor, and not easily accessible deposits, oppressed by taxes and low prices per gram of gold. However, due to high-intensity labor, gold prospecting has always been profitable. There were no books or movies about the gold prospectors, it was as if they did not exist. After all, they were not working in accordance with socialist methods. The monopolistic enterprises periodically broke up the gold prospector artels altogether. However, this inevitably led to a decline in gold production. And so they were allowed to operate again.

Last year the [private] prospectors produced more than half the country's gold. They won the competition between two systems—the socialist and the market system. Today the prospectors dispose of a wealth of experience of operation under market conditions.

Russia's Supreme Soviet passed the Law on Mineral Resources 22 February which, among other things, abolishes the state monopoly on gold prospecting and production. This would appear to be a good thing. Yet at the Congress of the Union of Gold Prospector Artels in Moscow last week it was claimed that the law does not resolve existing problems. Why? The government is introducing high taxes while gold prices are kept low. And that is not all. Prospectors are being asked to revalue old equipment and purchase it at current prices.

[Viktor Tarakanovskiy, chairman of the Union of Gold Prospector Artels] We were offended, all the artel chairmen were offended—this is a gold reserve of artels, there are probably no more than 100-120 of them left in the country, they are true organizers of production—we were offended because representatives of the government and the Supreme Soviet whom we invited failed to attend our congress. And this despite the fact that the artels are producing output worth tens of billions of rubles. Last year alone they produced output worth 1 billion dollars.

[Unidentified correspondent] The three days of the congress have shown that the gold prospectors' movement is nonetheless gathering strength. If only they were allowed to get on with their work without hindrance. And if the government shows understanding and helps the prospectors, then the country will have its gold.

Industrial Directors Criticize Economic Policy

PM0403145792 Moscow PRAVDA in Russian 29 Feb 92 pp 1, 2

[Aleksandr Shinkin report under the "In the Russian Parliament" rubric: "Directors Go Into Battle Alone. Worry of the Captains of Industry: Their 'Forces' Will Last Four to Six Weeks"]

[Text] The not unknown Kozma Prutkov [collective pseudonym of a group of 19th century Russian writers] pronounced: Rescuing drowning people is something for the drowning people to handle themselves. And however paradoxical this sounded, in life we unfortunately often find ourselves in a similar situation. This is the situation in which leaders of Russian enterprises find themselves, who have been left on their own to cope with coordination failures and distortions of the current economic reform, unprotected by both the law and authority.

How can they carry on working? Two days ago this problem was discussed by members of the "Industrial Union" Russian Supreme Soviet deputies' faction, which mainly comprises deputies who are managers.

Although they have been included in the camp of the conservatives and of the former party nomenklatura, the directors distanced themselves from politics right from the start of the conference. Let the politicians, in their opinion, engage in this, let them fight it out amongst themselves to find out which of them is the most committed to democracy. Meanwhile the deputies who are labor collective leaders have their business affairs to attend to. The fact that these "business affairs" have so far been kept going and have not collapsed completely is a feat, let us note, of the corps of directors. Only they know by what miracle they have so far been able to organize production. Because in the last two years, according to economists' estimates, the

volume of production has decreased by 30-34 percent. This is approximately the same level to which Western countries' economies sank in the four (!) years of the Great Depression. But evidently we are going to be world leaders here too.

The directors, who assembled from virtually all regions of Russia, worriedly said that their "forces" would last four to six weeks. The noose of economic reform will force the closure of plants and factories, millions of people will lose their jobs. While complaining—more by habit—about their misfortunes, the leaders made specific proposals which, in their view, will help a complete collapse to be avoided. In their opinion, taxation policy requires considerable amendment They proposed, specifically, that value added tax on construction and assembly work, consumer goods, and children's goods be scrapped. It is also necessary, it was said at the conference, to review income tax. Otherwise the price hikes for output will be endless.

There are also many unresolved problems in the financial system. Enterprises, as they say, are marking time in bank files. All commercial life has come to a standstill. Moreover, with the bankruptcy of the USSR Bank for Foreign Economic Activity enterprises have been deprived of their currency. And now high customs tariffs are "taking away" currency. Urals plant director A. Sysoyev cited an example: The collective now gets only $11 of the $1,200 per tonne of aluminum. Neither were the leaders overjoyed at the news about the fall of the dollar rate in relation to the ruble. Because this occurred thanks to the government's administrative actions, and not through new money-exchange relations.

The theme of conversion was especially prominent at the faction's conference. Military-industrial enterprises have not received the money promised by the government. Even programs of national economic importance are not being financed. Thereby not only labor collectives but also Russia's future have been jeopardized. Because for the time being only these enterprises can manufacture goods which are competitive in the world market.

The government's privatization program was also criticized by deputies. Essentially it will take the people's last crust, since it excludes labor collectives from being purchasers and creates large financial and industrial groups, which will inevitably bring deprived people out onto the warpath.

The directors raised—in our view with ample justification—the question of their personal participation in privatization. After all, a collective's prosperity will now largely depend on their role and the ability to maneuver skillfully in the unpredictable and tough world of the market.

It was suggested at the conference that the government postpone, at least until fall, the liberalization of oil and coal prices scheduled for 15 April. It is expected that their prices will increase approximately tenfold. The directors believe that this leap could lead to irremediable results. Incidentally, to this day the consequences of free prices for energy sources have not been figured out thoroughly by anyone; all calculations are being done, as they say, by rule of thumb.

The deputies reached two conclusions based on the situation. First, as yet their faction has little influence on lawmaking in parliament. Consequently the decisions on economic reform which the Supreme Soviet and parliament are making do not take full account of the prosaic side of life, or else they are totally at variance with common sense. Second, bearing in mind the grave situation in Russia's economy, they have suggested that the next Congress of People's Deputies be completely devoted to this problem. The new constitution, in their opinion, should be discussed separately, at another congress.

'Commercial Objectives' Determine Arms Sales

LD0303194392 Moscow Russian Television Network in Russian 1700 GMT 3 Mar 92

[From the "Vesti" newscast]

[Text] Glaziyev, Russian deputy minister for foreign economic relations, has stated that when selling arms Russia will proceed not from political, but from commercial objectives. Glaziyev named the repayment of the existing debts by Libya, Syria, and Iraq as a prerequisite for resuming arms sales to these countries. Taiwan also was named as a potential importer.

Arms Trade, New Markets Analyzed

PM0403093592 Moscow Russian Television Network in Russian 1700 GMT 28 Feb 92

[From the "Vesti" newscast: Report over video by presenter Gurnov]

[Text] According to the Stockholm Peace Research Institute, the USSR used to sell $12-15 billions' worth of arms annually. Now Russia has inherited around one-third of the defense industry, including MiG aircraft, Kalashnikov assault rifle, and T-72 tank production facilities. These arms are in demand. But whereas the traditional arms exports went to underdeveloped countries, a search for partners prepared to pay well in hard currency is likely to be launched now, especially in the Arab world. Whatever the case, Yeltsin adviser Maley has said that, once the curbs on trade with Russia are removed, Russia will begin to conquer new markets.

This could bring in large sums of relatively easy money. But this money cannot feed Russia, as Brezhnev's petrodollars and the current, rapidly evaporating, Western aid have demonstrated.

Vice Premier Explains Role of Defense Ministry

OW0403184792 Moscow INTERFAX in English 1609 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] A Russian defence ministry should not duplicate the functions of the defence ministry of the former Union, and should in fact be a civilian agency on military issues, Russian Vice-Premier and Chief of the republic's Legal Department Sergey Shakhray told IF [INTERFAX] in an exclusive interview.

The establishment of a Russian defence ministry is a long overdue issue, Sergey Shakhray said. He also said that such a ministry should be put in charge of exercising control over the troops which is now the prerogative of the CIS Armed Forces' General Staff. It is also expected to draft military policies, finance the armed forces and provide social guarantees for servicemen.

Candidate for Defense Minister Outlines Plans

OW0403155492 Moscow Central Television First Program and Orbita Networks in Russian 1900 GMT 20 Feb 92

[Interview with Andrey Afanasyevich Kokoshin, candidate for the post of minister of defense; by Petr Orlov and Irina Zaytseva in Moscow; from the "Utro" program—live]

[Text] [Zaytevsa] Andrey Afanasyevich Kokoshin is deputy director of the United States of America and Canada Institute, a specialist on military issues, and a man with significant organizational skills.

Andrey Afanasyevich, I would first like to address the report we have just seen. [video report from Moscow on new recruits taking oath in Russian Orthodox church] What are your views on this?

[Kokoshin] I think that the church—and I am not only referring to the Russian Orthodox church but to other churches too—can and should play a role in the moral and ethical education of our warriors. But representation should probably be according to ethnic divisions in Russia and other CIS states. Such an arrangement warrants an especially tactful and careful approach so as to avoid any trouble.

[Zaytseva] You are a civilian, right?

[Kokoshin] Yes.

[Zaytseva] You had no objections to being nominated for the post of minister of defense.

[Kokoshin] I see it as an opportunity to expound certain ideas circulating among many specialists, both military and civilian....

[Zaytseva, interrupting] So you have some ideas of your own?

[Kokoshin] First, I think there is a real need now for a serious scientific and public discussion on Russian military policy. Russia has become a sovereign state, and every state must have a policy. The lack thereof has a very negative influence on a wide range of our activities, both domestically and in foreign relations.

For example, the defense industry finds itself in the throes of a largely chaotic, uncontrolled conversion. This situation poses urgent questions. Answers from political and military leadership about what should remain purely military industry and what should be converted or privatized are anxiously awaited. This is one of the biggest questions facing our economy and society as a whole.

[Orlov] Their fate is still unclear.

[Kokoshin] You know, all serious-minded people in both industry and the armed forces cannot reduce military production or the armed forces with just economic and internal political circumstances as a guide. One must have an inkling of the future, of the levels and structures we must aim for, with the highest Russian national interests as a goal.

[Orlov] Can you define these in the light of military issues? What are Russia's principal national goals?

[Kokoshin] I would not aspire to make these determinations on my own. A special team must study the question; this is there must be a vigorous public debate. The sooner we do this the better. In this way we will both avoid improvisation and achieve a certain national consensus on this question. What our society lacks now is such a consensus. Through these debates on national defense we will be able to formulate many positions with the national consensus in mind.

[Orlov] Let us present it as one page of brief and clear theses. What do you think the concept should look like? A lack of such a formulations has clearly caused Russia to fall behind other states in clarifying its defense or, to use a broader term, military goals.

[Kokoshin] This is a very complex issue, since single—or unified armed forces, as they are called now—still exist but without a single state. The CIS is not a state but a commonwealth with functions and goals that are still unclear. I think that the CIS has a good chance to survive and develop and that there is an objective need for such a commonwealth. Therefore, there is an objective need for common armed forces. But within the framework of the CIS and unified armed forces, we have to have a very clear picture of what we want for Russia. Accordingly, our CIS partners will have a much better picture of their own role and their interaction with Russia.

Today what we must first consider is the type of external threat that might someday face the future armed forces of Russia and the CIS. It is clear that the nature of these threats has undergone a radical change, as has our perception of them. Traditionally, we shaped our armed

forces to cope, first and foremost, with a large-scale and protracted nuclear or conventional war. The structure and makeup of the armed forces, the system of combat control, and infrastructure all tally with this concept. The same applies to industry. According to evaluations by several specialists, this was especially true in the 1980's. Both defense and civilian industries were made to conform to these war scenarios.

Today, most military and civilian specialists are unified in their opinion that the threat comes from an entirely new direction. Of course, the biggest threat is internal. As for the external threat, the chances of a large-scale war, whether nuclear or conventional, are minimal. Yet all the structures of our armed forces, all these monsters, all these tank armies and tank divisions do not correspond to the new realities and new threats at all.

The question of the fleet, especially the Black Sea Fleet, is very important. I think that if we had our own concept of Russian national security, our own military policy and doctrine, then many issues linked to the Black Sea Fleet would have been solved in a less emotional and much more rational way. We would have found the optimal solution for the CIS, the Ukraine, and Russia. This concerns not only the Black Sea Fleet but all of our fleet as a whole. It was actually created to fulfill imperialistic, superpower goals, and we challenged the United States on the seas much as the Kaiser's Germany challenged British sea power. Thank God that no war ever broke out, because if it had, I am afraid that our fleet would have gone the way of the Kaiser's Germany, which lost the war without actually engaging in battle. Therefore, even under previous policies, systems, and regimes, the fleet, as shaped by Gorshkov [chief commander of Soviet fleet in 1956] was incompatible with our national interests. This is even truer today, but the inertia of these structures is so immense that it exists in both the steel and the mind. Now is the time to examine these problems from a different angle and reorganize everything in accordance with our resources and foreign policy goals, which must be much more moderate and directed at solving our internal problems.

Then we will have a rational military policy understandable to generals and soldiers alike; they will be able to look to the future with a greater degree of confidence.

[Orlov] But will Russia remain a great power?

[Kokoshin] I think that Russia has every chance to remain a great power. But we have considerably less of a chance to remain a superpower. Actually, the Soviet Union often claimed that role while stretching its potential to the limit. As for Russia's role as a great power, I think that few have any doubts on this point, provided of course that we preserve her inviolability and lend impetus to the economic and industrial development of Russia.

[Zaytseva] Briefly describe the first steps you would take upon assuming office.

[Kokoshin] I would rather not speculate....

[Zaytseva, interrupting] It would probably be some issue demanding a rapid solution.

[Kokoshin] Yes, many problems remain to be solved. I would say that no matter who assumes this post, or whether it is in the Russian Ministry of Defense or some other entity, the most acute issues are the development of Russian military policy and its coordinating with CIS military policy and the solution of our army's personnel problems, which are currently outrageous.

[Orlov] This has been Andrey Afanasyevich Kokoshin, deputy director of the United States of America and Canada Institute, and a nominee for the post of Russian Defense Minister. Thank you.

Russian Unit Formed To Supplement UN Forces

LD0403223592 Moscow POSTFACTUM in English 1943 GMT 4 Mar 92

[From the "Military News" section]

[Text] Moscow [dateline as received]—First battalion has been formed in Russia on the basis of airborne units to be detached to the UN special forces.

According to the information received by PF [POSTFACTUM] at the general staff of airborne forces, the battalion was supposed to participate in peace-making operation in Yugoslavia. As of March 4, the battalion has 900 servicemen, including approximately 70 officers and 100 ensigns. 5 rifle and 1 headquarters companies, 1 repairing and assault pioneer platoon were detached to the battalion. The battalion is armed with machine-guns and automatic rifles to be used only in self defence, and have approximately 100 armored assault vehicles detached. Six interpreters-english-speaking officers are also detached to the battalion. A military police squad has been established at the battalion from staff members of Moscow commandant's office. Colonel Victor Loginov (has combat decorations, command of several foreign languages) is in charge of battalion. On March 4, he left for New York to receive a concrete mission for his battalion.

Servicemen Intend To Control Army Property

LD0403222992 Moscow POSTFACTUM in English 1943 GMT 4 Mar 92

[From the "Military News" section]

[Text] Moscow—A group of servicemen's voluntary organisations intend to control a part of the Armed Forces' property. On March 3rd representatives of servicemen's voluntary organisations Zhivoe Koltso Live Ring, Voennye Za Democratiu Servicemen for Democracy, Moscow and All-Army Officer meetings of Schit Shield Alliance, Independent Servicemen Union held a conference with the aim of organizational joining of

efforts to control a part of the property of the Armed Forces and to look for ways and means of a joint solution of social problems.

The participants of the conference expressed their dissatisfaction with the activities of a commercial center set up by the then USSR Ministry of Defense as well as with the new Garantiya Foundation which were acting as monopolists and were, allegedly, squandering Army property. The conference resolved to set up an observation council to coordinate efforts of the servicemen's organisations to control the property and to draft a message to the president of Russia demanding that the servicemen's organisations be granted the right to control Army property and to take part in its distribution.

Vitaliy Urazhtsev, a RF [Russian Federation] people's deputy who is attending the conference, undertook to report the conference's opinion to the Vice Premier Yegor Gaydar.

Official Says Reactor Accident 'Zero-Scale'

OW0403201292 Moscow INTERFAX in English 1916 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] Sergey Adamchik, Chief of the Safety Department of the Russian Ministry for the Inspection of Nuclear Power-Plants, said that the fire on the Balakovo nuclear power plant on the night March 3, refers to the so-called zero-scale accidents by international standards. He told IF [INTERFAX] that the accident had caused neither fatalities, nor ruin, nor radiation leaks, nor any pollution of the environment.

Sergey Adamchik said that at 01.07, March 4, a short circuit in the 6,000 volt electric-supply system in one of the three power units led to a fire. The safety system cut off the pump and shut the reactor down. The fire brigade, instantly called in, quickly put the fire out.

On Thursday [5 March], a special commission led by a ministry executive, will start investigating the cause of the accident and will ultimately decide whether or not to put the power unit back into operation. Sergey Adamchik believes that the consequences of the accident will last for just a few days.

He also said that the remaining two power units continue to work. Each of them has a capacity of 1 million kilowatt.

Nuclear Official Reports No 1991 Disruptions

OW0403190192 Moscow INTERFAX in English 1334 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] Aleksandr Gutsalov, first deputy head of the Russian Federation's State Committee for Control over Nuclear Facilities, has said no disruptions occurred at any of Russia's nine nuclear power plants in 1991. At the same time, he admitted that the number of unplanned stoppages totaled 156 last year. The largest number of such stoppages—fifty—occurred at the 3 power units of the nuclear power plant at Balakovo. The Bilibino power station suffered minor radioactive contamination during the transportation of nuclear wastes on July 10, 1991. The accident's aftermath was promptly eradicated, and neither personnel nor the population were afflicted.

According to Gutsalov, an inventory is currently being made of the nuclear installations on Russian territory, and their impact on the environment is being analysed. No reliable data have so far been available with regard to the nuclear facilities used by the military. Hopefully, such information will be obtained as soon as an appropriate law is passed, Gutsalov said.

His colleague Sergey Adamchik told journalists that no decisions had been taken on privatizing nuclear power stations in Russia, although privately and collectively owned nuclear power plants did exist in the West.

Expresses Confidence in Safety

LD0503113892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 4 Mar 92

[Text] Journalists learned about the incident [the fire in the Saratov nuclear electric power station] before officials did. Atomnadzor [expansion unknown] did not know anything about the fire at the nuclear electric power station this afternoon, something which was confirmed at a news conference by Gutsalov, first deputy chairman of Gosatomnadzor.

[Begin recording] [Correspondent A. Lutskiy] What is your view of the safety of nuclear facilities in Russia?

[Gutsalov] Despite the fact that there are different types of atomic stations, a range of measures is being implemented to enhance their reliability and safety. We are monitoring this process, and so we can say that their state is satisfactory to date.

[Lutskiy] Thank you. [end recording]

Nuclear Material Production, Use To Be Licensed

LD0403231992 Moscow POSTFACTUM in English 2045 GMT 4 Mar 92

[From the "Domestic Market" section]

[Text] Moscow—Legal and physical persons starting or engaged in production or utilization of nuclear materials, atomic energy and radioactive substances are to obtain an appropriate license from the RF [Russian Federation] State Atomic Energy Authority. This has been announced at a press conference held on March 4th by the top-ranking officials of the State Committee for Supervision over Nuclear and Radiation Safety under the RF president. According to them, in excess of 13,000

such persons have been listed. The state committee spokesmen claim that there were no accidents registered at the atomic power stations situated in Russia's territory in 1991 but 1 local radiation accident occurred. They meant Bilibin atomic power station where on July 10th, 1991 as a result of a violation of the procedure for shipping radioactive waste, the station's territory was polluted. As the press conference organizers stated, the accident presented no danger to the station's personnel or the local residents. In 1991 156 cases of unplanned stoppages of power station units took place with 4 of those units being stopped to be put out of commission. In order to have better radiation safety, several units operated at just 70 per cent capacity, the atomic authority spokesmen reported.

Further on PRAVDA Publication Changes

LD0303202692 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 3 Mar 92

[From the "Novosti" newscast]

[Excerpts] PRAVDA frontpages an address to its readers today. It says that henceforth the newspaper will be published only three times a week. At a conference of editors of the Pressa publishing house, it was stated that funds exist only for a few issues. The Pressa publishing house comprises, in addition to PRAVDA, the papers KOMSOMOLSKAYA PRAVDA, RABOCHAYA TRIBUNA, ZA RUBEZHOM, and SELSKAYA ZHIZN. Surely all these newspapers will not disappear from our lives?

[Begin recording] [passage omitted in which the correspondent Lenskiy traces the history of PRAVDA and notes the impact of rising costs of newsprint and transport on the paper] [G. Seleznev, PRAVDA chief editor] The money from readers which paid for a year's supply of PRAVDA sufficed just up to the 20 January issues. After the March issues have come out, there will be no money for publishing our paper.

[Lenskiy] The paper is now living on commercial banks' credit, the interest on which is very high. PRAVDA may survive repeat subscriptions based on the new tariffs, but it may transpire that all the money obtained from the repeat subscriptions will have to be spent on paying for the services of technicians. [end recording]

Ostankino Chief on Broadcasting Reorganization

LD0403192292 Moscow Mayak Radio Network in Russian 1309 GMT 4 Mar 92

[Excerpt] Yegor Yakovlev has written to the leaders of the Commonwealth of Independent States proposing the establishment of an international broadcasting company on the basis of the Ostankino Television and Radio Company. A news conference was held on this subject today at the Central House of Journalists. The fate of our television and radio is of concern to the Mayak staff, so we have taken the liberty of giving you a five-minute excerpt of this news conference. Yegor Yakovlev, the chairman of the Ostankino Company, and Russian deputy and journalist Aleksandr Lyubimov spoke.

[Begin Yakovlev recording] Will a single information space be preserved on the territory of the former Soviet Union? It is, I think, an extremely important question, which goes considerably further than the destiny of the Ostankino Company although this is far from a matter of indifference to us all. It is really the destiny of our further informational, spiritual, cultural and political interaction which could be cut off and I do not think that would be of any benefit to any people or any country.

I again emphasize that it is not a question of whether Ostankino Company works well or badly. [passage indistinct] It is a question of precisely the preservation of opportunities for many people to possess a modern form of interaction. You know that the Ostankino Company has been taken under Russia's jurisdiction. There is the decree of the Russian president on this matter. As I have already said in my letter, the decree was to some degree of a temporary nature so that the company might gain some foundation until time to establish the CIS had passed; time has to some degree already passed.

Today in Russia there are two companies: The difference between them is that Ostankino broadcasts to the territory of the whole former Soviet Union. The All-Russian Company embraces the territory of Russia and the adjacent zones.

One way or the other, so long as Ostankino Company is just a Russian company broadcasting from Moscow with its head office just in Moscow, it is perceived by the other independent states as the voice of the near abroad. Naturally, there is most probably no point in the CIS having such a company. This leads to us receiving more and more letters, some of them heart-rending, about Ostankino programs being unplugged in some other independent states and the channel simply being replaced along with radio programs. Some replace them with their own things and so on and so forth.

Apart from anything else, the company possesses a unique system of foreign broadcasting: both radio and television. There exists an almost global system: two satellites which embrace practically the whole globe. I am talking about foreign radio broadcasting. Today this has gone over to purely news broadcasting. But these transmitters are also located in the territory of the former Soviet Union. Today they are starting to be used for the most varied purposes. Sometimes they are being sold. We are really losing something that is unique.

Therefore we propose that on the 20th in Kiev the question of the company should be resolved. I consider that the company cannot exist otherwise than as an international company in the framework of the CIS and other independent states on the territory of the former

Soviet Union. I consider the members of the CIS should, as the legitimate heirs of the Soviet Union, act as founders.

Another very important point: I recently had occasion to have a detailed conversation with Mr. (Ganov) and before that with President Zhelev of Bulgaria. They all say they are in favor of the creation of a single news ring of Eastern Europe. They even speak jokingly of the Oriental Express. At any rate we are now starting to set up a ring on our radio stations. This will be simpler. [passage indistinct] The company must be international.

If, on the other hand, because of those difficulties in the CIS which we know about it is not possible, then as it is very difficult for the Russian State to hold two companies, I advocate merging them and creating one Russian company which will have its foreign broadcasting in foreign countries but will be a serious company. [end recording] [passage omitted]

Yakovlev Letter Cited

LD0403180392 Moscow Programma Radio Odin Network in Russian 1200 GMT 4 Mar 92

[Text] Yegor Yakovlev, the chairman of the Ostankino Russian State Television and Radio Company has written to the leaders of the member-states of the Commonwealth of Independent States calling upon them to decide without delay the fate of the unified television and radio broadcasting system on the territory of the former Soviet Union.

The letter notes that there are now two state television and radio companies in Russia: the Russian State Television and Radio Company and the all-Russian State Television and Radio Broadcasting Company.

According to the decree of the president of Russia, the Ostankino Television and Radio Company has the task of reporting political, economic and cultural life in the member-states of the Commonwealth of Independent States. However the provisions governing our television and radio broadcasting on the territory of the states of the Commonwealth of Independent States have not yet been established, writes Yegor Yakovlev.

The company is financed exclusively from the budget of Russia and its management is appointed in Moscow. The lack of an agreed, interstate, status leads to a situation in which the Ostankino programs remain exclusively Moscow programs in the eyes of the public.

All of this, the writer goes on, gives rise to at least two circumstances. In the first place, in the independent states the Ostankino programs are being perceived increasingly as a voice from outside and enthusiasts are to be found who switch off the programs from Moscow, disregarding the interests of viewers and listeners.

Moving further along this road we will lose the very possibility of promoting the broad information exchange which has been set down as an obligation in the agreement setting up the Commonwealth of Independent States. In the second place, Yegor Yakovlev observes, chauvinistic leaders hanker after the first channel, striving so openly to establish a new order by bringing back the old empire.

The chairman of the Ostankino company proposes the following way of resolving the problem: In the first place Ostankino should be constituted as the International Broadcasting Company. Its founders would be the member-states of the Commonwealth of Independent States. A decisive feature of its activity would be widespread participation by the national broadcasting companies in the practice of making programs. It would be sensible to combine the founding of the company with the setting up of a Euro-Asian broadcasting union, the letter goes on. It would be formed by the national broadcasting organizations of the independent states.

The whole of the property of the company being transferred into its management is declared to be the collective and indivisible property of the founders. The Russian Federation, which on the instructions of the other founders takes the company under its own jurisdiction, acts as the guarantor of its inviolability.

Concluding the letter Yegor Yakovlev stresses that even today the alarm is obvious of people who are being deprived of the traditional links and the community of destinies that have accompanied us throughout our lives. Tomorrow this will turn into an irresistable pull to spiritual union, but not to economic, cultural and evidently political interaction.

Ultimately one has to give one's own answer. Do people exist for the sake of policy or does policy exist for the sake of people? If the latter is the case, then they should be asked whether they are willing and whether they want to change their habits of listening to the call-signs of Mayak in the morning and gathering at the television set in the evening to wait for Novosti.

A great deal, a very great deal has been exploded in our lives and set off headlong down a steep slope. It is all the more important, therefore—and it is simply more humane—to preserve everything that forms an inseparable part of our life, writes Yegor Yakovlev.

Ukraine, Kazakhstan Support Plan

LD0503105892 Moscow Russian Television Network in Russian 1640 GMT 4 Mar 92

[Report by correspondent G. Fadeyeva and announcer Yuriy Rostov; from the "Vesti" newscast]

[Text] [Fadeyeva] According to Yegor Yakovlev, chairman of Ostankino Russian Television and Radio Company, the company is threatened. First, many CIS broadcasts from Moscow are regarded as being broadcast from abroad and are often jammed; in many Ukraine

towns, for example. Second, the company is being financed only by the Russian budget—and insufficiently at that.

An open letter from Yegor Yakovlev to the CIS leaders was circulated at a news conference today. In it he explains the necessity—I quote—to constitute Ostankino as an international broadcasting company. Thus, funds will come from all CIS founding members. It is not correct to split the First Channel in a mechanical way into hours or weeks for every state; that is, it should not become just a place showing unconnected programs from different republics, the leader of Ostankino explains.

The plan is already supported by the leaders of Russia, Ukraine, and Kazakhstan. If the rest do not join them at a meeting on 20 March, Yegor Yakovlev believes there is only one way out—to merge with the All-Russian Company. To tell the truth, he has no specific plan yet. Anatoliy Lysenko, the chairman of the All-Russian Television Company, believes this should not happen. [video shows news conference by the leaders of Ostankino including Yegor Yakovlev, Sagalayev, Lazutkin, Lyubimov, and others]

[Rostov] I understand Yegor Yakovlev's idea regarding the merger of the two television companies: then the former Gosteleradio will receive the maximum of financing and will return ten of its numerous foreign correspondents' offices. Ten correspondents' offices were transferred to our channel. I do not know how many correspondents' offices Ostankino has now, but a year ago there were 60—six times more than CNN, the very wealthy American company. However, I think that if our television company disappears as the result of the merger viewers will lose something—they will lose television with journalists who have not been controlled by authorities either before or after the August events. However, there is no real danger of the so-called merger of the two channels. I was just commenting on the ideas expressed in the report.

Economist Bunich on Democratic Reform Program

PM0403160592 Moscow PRAVDA in Russian 3 Mar 92 p 2

[Interview with economist P. Bunich by observer Boris Slavin; date and place of interview not stated: "People's Patience Is Not Infinite"—first paragraph is introduction]

[Text] A 29 February session of the Movement for Democratic Reform examined the question of the movement's economic program. Academician N.Ya. Petrakov, who delivered the report, cast doubt on the capability of the B. Yeltsin-V. Gaydar government. PRAVDA observer Boris Slavin asked the well known economist P. Bunich to comment on these events.

[Slavin] How do you assess Petrakov's speech?

[Bunich] Nikolay Yakovlevich is constantly outstripping the centrists in criticizing the government.

[Slavin] He called the present government extremist...

[Bunich] I would agree, however strange that may seem. But it does not follow from that that it must resign. It should be amended. It is indeed extremist, it is indeed tough. It forgets that we are not pieces of iron and that even pieces of iron have to be lubricated. Nor are we the gypsy's horse which was not fed and quietly expired. Living people will not behave like that horse: They will go on strike, storm the stores, and so forth. The government is failing to consider that. But the people's patience is not infinite.

[Slavin] The government is emphasizing aid from the IMF. Do you also believe in the IMF's altruism?

[Bunich] If you were to ask me directly whether I believe that many Western politicians and entrepreneurs have their own selfish interest in this matter, I would reply: "Yes, they have." In comparing their words and deeds I have come to the conclusion that they do not need a powerful Union, a powerful Russia, or CIS. As for the IMF, it is a less politicized organization, although U.S. capital also rules there.

[Slavin] Do you not believe that in a month or two, when the plans come to a standstill and mass unemployment emerges, there will be an end to the existing government?

[Bunich] If the plants stop then yes. And that could happen even more rapidly than you say.

[Slavin] Where is the way out? Can the Movement for Democratic Reform become a constructive opposition and offer its own program for emerging from the impasse?

[Bunich] If the entire public here agrees to create such a program, we shall elaborate it. I see the thrust of this program in ensuring that there is an amendment of reforms from the viewpoint of the people and the entrepreneur, that is social and production amendment.

[Slavin] It is already clear to everyone that with every passing day the government is losing its social base. In this connection do you not believe that the democrats have made a fundamental mistake in pushing away the democratically minded Communists? Will they not in turn find themselves face to face with not imaginary but real brownshirts?

[Bunich] There is no question here. It is obvious. The 19-million strong party of Communists and the 60 million members of their family are in their overwhelming majority honest people, and even the best people, because the best people did join the party.

Russian National Assembly Leader Interviewed

PM0403114192 Moscow PRAVDA in Russian 3 Mar 92 pp 1-2

[Interview with A. Sterligov, cochairman of Russian National Assembly, by correspondent V. Nikiforova; place and date not given: "Who Is Master in Rus?"—first three paragraphs are introduction]

[Text] The third extraordinary congress of the international "Slav assembly" organization was the birthday of the Russian National Assembly. And a month later its constituent congress was held in Nizhniy Novgorod. Some 417 delegates from 72 Russian patriotic associations of the Russian Federation, Ukraine, Belarus, the Baltic states, Moldova, the Dnestr region, and South Ossetia inaugurated the Russian National Assembly as a mass national-patriotic movement.

The congress adopted program provisions, a statute, an appeal to Russian and foreign compatriots, and resolutions on the resignation of B. Yeltsin from the post of Russian president, on Russians living outside the Russian Federation, on the South Kurils, and on the restoration of the traditional industrial-financial regional centers of Russia. A Duma was elected. Its cochairmen are Major General A. Sterligov, Sakhalin Governor V. Fedorov, and writer V. Rasputin.

Your PRAVDA correspondent asked A. Sterligov to talk about this movement.

[Nikiforova] Aleksandr Nikolayevich, how do you formulate the basic aims and tasks of the Russian National Assembly?

[Sterligov] Recreating in Russia's social and state structure the congregational principle tested by its 1,000-year history as the foundation of the integrity and unification of the Russian people and all indigenous peoples of Russia, says Aleksandr Nikolayevich. We are warning: Our Fatherland is in danger! The life of every Russian person, of every family, is in danger not only beyond its borders but also within Russia itself. The past, present, and future of other Russian peoples is in danger. If nothing changes, a real famine will begin within a year. Even now we are not feeding our children enough. How many of them will become mentally retarded because of the shortage of sugar?

The working people are impoverished and hungry, have no social protection, and have been placed in genocide conditions. The parade of sovereignties in Russia, as recently in the former Soviet Union, threatens civil war. It is perfectly obvious that the present government, in its composition and practical deeds, does not accord with Russia's interests.

The 23 February events showed that the masks have been cast aside. The special-purpose militia detachment members kicked people with their boots before our very eyes. The people are beginning to realize that these are the convulsions of a helpless and evil power. And the sooner it stops tormenting us, the sooner Russia will be able to return to the foundations of its historical statehood.

We believe that a threat, a real danger of their destruction, looms over the Russian people. Russia has traditionally prevented the West from having access to enormous stocks of raw material. To get to these stocks Russia must be smashed and its peoples set against each other. For that they must dislodge Russia's pivot—the Russians.

[Nikiforova] Of course, the West will never waive its interests. But first Gorbachev and now Yeltsin are being credited with considerable successes in setting up international relations.

[Sterligov] Yes, outwardly it looks as though they have succeeded in doing a great deal. But at what price, and what have they received in exchange? The Russian Government's foreign policy course is a continuation of the former Gorbachev-Shevardnadze line: Obtaining Western aid at any price, right up to disregarding Russia's national interests, in order to stay in power. The government is obviously demonstrating to the West its readiness to go even further, in fact renouncing the pursuit of an independent course in international affairs, attaching the country to U.S. policy in all matters of any importance.

While assessing positively the course toward the lowering of the level of military confrontation, the reduction of nuclear and conventional weapons, and the creation of a global system of international security, it should be borne in mind that we must free ourselves of the burden of military expenditure not in a chaotic way but in a balanced and gradually way. So far there is no policy, including military policy, that accords with Russia's national-state interests, nor is there a military doctrine which reflects its thrust.

[Nikiforova] We have already acknowledged that for a long time we lived in a state of totally unjustified euphoria and hoped for a bright future. We deceived ourselves with our imaginary successes. And now...

[Sterligov] One cannot utterly deny what has been achieved. But look at what is happening. Since 1917 Russia and the Russian people have been deprived of their best representatives, their intellectual potential. But the seven years of perestroyka and "new thinking" have added nothing and moreover the total destruction of the foundations of the Russian people's life and of their statehood is being completed. The army has been dismantled, the borders are almost open. The defense industry has been demolished and paralyzed, the nuclear scientists are being lured abroad. And does it not seem to you that there is a well organized, profoundly conceived, precisely orchestrated implementation of someone's plans?

I remember a tour of Siberia with the vice president. In Biysk, in the heartland, we met with people at an

aviation plant. The intellectual potential there is such that any engineer could be made a minister! Take those SU aircraft. Why not sell them? Even now we have sufficient intelligence and facilities to offer serious competition on the world market. But we have been led by the West, which is not interested in this: It is more advantageous for it to keep us in debt.

[Nikiforova] Aleksandr Nikolayevich, you said that the people in power today have been highly successful in criticizing their predecessors but have been unable to really improve the situation. But what constructive program can the Assembly and the Duma elected there offer?

[Sterligov] Is it really a matter of criticism? A critical analysis of the situation and the prospects is needed. We believe that Russia lost its way in 1917. Alien ideas were imposed on it, it was deprived of its intelligentsia and spiritual potential. The revolution, the civil war, the repressions, another war—it all fits together and it is all against the people! So we have come to the point where there is no leader capable of heading the people's resurrection! That has led us to tragedy.

But there is still a chance of standing firm at the edge of the abyss and acquiring ground beneath our feet. But for that the unification of all patriotic forces is necessary. Let us recall our Russian ethnic and territorial statehood. The Assembly has always been for all classes. How does it differ from a parliament? A parliament is a play of parties. But the Assembly is a purely Russian phenomenon. Every stratum, every class, has gathered the most conscientious, respected, and best people and these, the very best, have elected the Duma. What is bad about our own historical experience?

[Nikiforova] But Aleksandr Nikolayevich, are you not afraid that you may be accused of chauvinism?

[Sterligov] Yes, demagoguery and the tradition of sticking labels is held in honor in our country. But I reject all accusations of nationalism and socialism as provocative. The Russians have always lived in harmony with all peoples. After all, delegations of tatars came to the Russian Assemblies, just as Russians were invited to the medzhlises. Recently I talked with a group of Tatars, we met by chance, and they are suffering too...

[Nikiforova] But the conflicts are not abating, on the contrary the Russians have been obliged to flee the former republics, the number of refugees is increasing...

[Sterligov] Yes, under the present government it would be strange if this were not happening. This government accords with no one's interests, it is dragging everyone to the West. You should not laugh but cry when the Russian president reports to Bush at every opportunity. And Baker makes inspection tours as though he were in his own country. Yeltsin intimidates us with the partycrats, his team threatens to close access to state posts for former party workers, but he himself still cannot rid himself of his oblast committee first secretary complex.

[Nikiforova] So far we have been discussing things at the ideological level. But what can the Assembly do in practice? Seek the resignation of the president and his team, as in the Assembly resolution? But that will not happen tomorrow. But as for famine, although it is not here yet, you yourself say that if nothing changes a tragedy may happen within a year. What can you offer Russia?

[Sterligov] We shall try all our might to restore Russia's traditional industrial and financial centers and to achieve support from Russian entrepreneurs—both in this country and abroad. In privatization we shall also give them priority. Perhaps we shall also form our own government.

In our opinion, acceptable concepts for saving the economy could include the approach suggested by Sakhalin Governor Doctor of Economic Sciences V. Fedorov: Establishing a 70 percent state order for all state enterprises and a subsequent gradual automatic reduction of this order from 10 to 5 percent a year. Enterprises could be stabilized and the national economy as a whole could acquire equilibrium.

The economy and its sectors cannot be demonopolized by privatization alone, that is by changing the form of ownership. For the birth of competition it is perhaps even more important to increase the number of new owners, new production facilities, and new capacities.

What must be done in the immediate future? The Sakhalin governor suggests freezing prices for all types of good without halting the increase in wages until the situation which existed before 2 January 1992 is restored. The measure proposed should be temporary, it will exhaust itself with the increase in production and the maturation of market relations.

[Nikiforova] Do you have supporters among the political parties and movements? As far as I know you did not take part in the congress of civic and patriotic forces.

[Sterligov] We have supporters. We accept the ideas of the congress but there is a fear: Its organizers included the creators of "Democratic Russia," which achieved the collapse of the country and of Russia. National and patriotic parties and movements are arising throughout the country. Unfortunately, they do not have a clearly expressed and formulated program reflecting the national-state idea. That is why we urge everyone to cast aside their differences and unite in the Russian National Assembly. [Sterligov ends]

There was one more question I should have put to Major General A. Sterligov: Why, with a 25-year career in the KGB and prestigious posts in the new government, should he want the thankless concerns of a leader of a public organization. I did not ask that question but I got an answer.

"Why did we live and study in Russia?"

Molniya-1 Communications Satellite Launched

LD0503100992 Moscow TASS International Service in Russian 0945 GMT 5 Mar 92

[Text] Moscow, 5 Mar (ITAR-TASS)—Another communication satellite, Molniya-1, was launched from the Plesetsk launching pad on Wednesday [4 March]. The satellite is to ensure the operation of a system of long-distance telephone and telegraph radio communication, as well as to transmit television programs to "Orbita" network points.

The "Molniya" rocket-carrier placed the satellite in a highly elliptical orbit with the following parameters:

apogee—38,998 km in the northern hemisphere;

perigee—629 km in southern hemisphere;

period of revolution—11 hours 42 minutes;

orbital inclination—62.9 degrees.

New Space Chief Outlines Space Program

PM0503102592 Moscow IZVESTIYA in Russian 28 Feb 92 Morning Edition p 5

[Boris Konovalov report incorporating interview with Yu.N. Koptev, general director of Russian Space Agency; place, date not given: "Russian Space Agency Set Up"]

[Text] The Russian Space Agency has been set up by a decree issued by Russian President B.N. Yeltsin. Yuriy Nikolayevich Koptev has been appointed its general director.

He is 51 years old. He is a graduate of the Moscow's Bauman Higher Technical College. He rose from being an ordinary engineer at the Lavochkin Science and Production Association to the post of deputy minister of general machine building of the former USSR. He has led a whole series of important space-rocket projects.

He believes that his main task in his new post is to radically reorganize the work of the space-rocket sector in Russia in line with the principles of rationalism, democratization, and commercialization. The lion's share of the former USSR's space-rocket complex belongs to Russia. Russian enterprises executed 85 percent of the entire space-rocket program. There are two cosmodromes in Russia—Plesetsk and Kapustin Yar. Last year 60 percent of all space launches were carried out from the Plesetsk launchpads.

The former USSR's space-rocket complex is now located on the territory of six CIS countries, and one of the central tasks of the new agency is to organize their effective cooperation within the framework of the agreements that have already been reached.

"Our agency will now be on the small side, employing about 150 people," Yu.N. Koptev says, "by way of comparison I ought to mention that 10 times that number of specialists work at NASA's headquarters. Leading scientific organizations will clearly be subordinated to the agency. Despite the country's grave financial situation, funds are being allocated to maintain the sector's activity at roughly the same level as last year. Our agency will play the role of the state management organ and act as the customer while projects are being formulated and developed. When the systems are up and running, it will be expedient to hand these functions over to consumers. Every project will now begin with a competition, all the proposals will be analyzed at the agency and undergo expert appraisal involving the recruitment of scientists and the necessary specialists. At the same time an independent assessment will be carried out by the Interdepartmental Commission for Expert Appraisals of Space Projects. Once priorities have been determined and the budget ratified by the Russian Supreme Soviet, contracts to realize the projects will be concluded."

[Konovalov] What future awaits manned spaceflight?

[Koptev] We do not intend to torpedo either manned spaceflights, or scientific projects, or national economic satellites, or the dual-purpose systems that are essential for the security of our state. However, the agency intends not only to attract budget funds but also commercial structures, and it plans to exploit international cooperation more widely.

The USSR's former commitments will be met. At the same time we realize that the "Mir" station has been in operation for a long time now. In one and a half to two years' time its base module will need to be replaced. This is a costly project.

It has not been ruled out that we will attract international capital and set up a joint-stock company to jointly operate the "Mir" station. After all, mankind will not have another orbital station prior to 1996 at the earliest. Intensive talks are currently under way with the United States, and it seems that a new agreement to strengthen our space cooperation will be signed this summer.

Supreme Soviet

Supreme Soviet Highlights for 4 Mar

LD0503014892

[Editorial Report] Moscow Russian Television Network in Russian at 2020 GMT on 4 March carries a 30-minute edition of its regularly scheduled "At the Russian Supreme Soviet" program, including recorded highlights of the Russian Supreme Soviet session in Moscow on 4 March.

The program opens with a report on developments in the Soviet of the Republic. The chairman opens the proceedings and then passes the floor to Deputy Belashov, who calls on the Supreme Soviet leadership to discuss the immediate withdrawal of Russian troops from Moldova,

Transcaucasia, and other critical areas. Deputy Lishankov then says that the Moldovan situation should be discussed in commissions and committees and not just in the Soviet of the Republic. The chairman then proposes that the Defense Ministry be instructed to examine these questions and present its findings. On the Pridnestr situation, he proposes that further work be done in committees and that hasty decisions not be made.

At 2026 GMT, the agenda is put to the vote and adopted.

At 2027 GMT, Russian Economics Minister Andrey Nechayev takes the floor to present the investment program for the first half of the year. Many priorities in state investments have had to be reexamined, and the program will differ quite considerably from last year's program, he says. He lists the priority targets for such programs as the aftermath of the Chernobyl disaster, the agroindustrial complex, transport, industrial capacities, major building projects, and the Internal Affairs Ministry and other law-enforcement bodies. Individual programs for certain towns have also been studied, as well as the St. Petersburg metro development plan and certain ecological programs, Nechayev notes. The real volume of capital construction investment for the second quarter is higher than expected and will amount to 112 million rubles, he concludes.

At 2033 GMT, an unidentified deputy says that he is quite dissatisfied with the information Nechayev has presented and that he doubts if the deputies will pass the plan and budget for 1992 if this report is presented to the joint Supreme Soviet session. He calls for more investment to be made in the highways fund.

At 2036 GMT, a report on developments in the Soviet of Nationalities begins. The correspondent points out that changes in certain laws of the Russian Federation were discussed with various deputies making points regarding the structure of local administration and the separation of powers between federal government and the governments of republics and oblasts. Deputies then discussed the Supreme Soviet's appeal to the citizens of Tatarstan, the correspondent adds, noting that there were differing views regarding the referendum and to whether the Tatarstan Supreme Soviet should be recognized. Deputies then discussed a draft law on the registration of newly created enterprises and adopted a decision on the draft law, the correspondent concludes.

At 2050 GMT, the program ends.

Economy Minister Reports on Investment Program

LD0403174592 Moscow TASS in English 1713 GMT 4 Mar 92

[By ITAR-TASS correspondent Galina Vinitskaya]

[Text] Moscow March 4 TASS—Russian Minister of the Economy Andrey Nechayev described this year's investment programme as extraordinary and incomparable with the past years. Speaking at today's session of the Russian parliament, he said investments in 1992 would be 40 per cent lower than in 1991 in comparable prices, because of the need for strict budget restrictions.

Investments in the first three months of this year were set at 33 billion roubles. The break-up of the investments was as follows: 3.7 billion roubles on cleaning the aftermath of the Chernobyl nuclear disaster (according to Nechayev, this is the only programme, on which capital investments were increased). Twenty eight per cent were earmarked on production and non-productive construction in the agro-industrial complex (AIC), some 19 per cent on non-productive construction excluding AIC facilities and Chernobyl, 13.6 per cent on transport, where tariffs are regulated, approximately 25 per cent on basic industries, mainly construction, and four per cent on capital investments related to the Ministry of the Interior, the former KGB State Security Committee and other law-enforcement agencies.

Funds will also be provided, the minister said, to finance some urban programmes, particularly, the construction of underground in St. Petersburg and ecological programmes.

Considering price rises, Nechayev said, investments in the second quarter will amount to 112 billion roubles.

The financing of investment programmes will be primarily shifted to the level of enterprises and supported by self-financing, the minister emphasised.

According to Ministry of the Economy forecasts, capital investments in 1992 will amount to 650 billion roubles or to roughly 50 billion roubles in 1991 fixed prices, which constitutes approximately 50 per cent of investments made last year, Nechayev concluded.

Gaydar Stops Transfer of Gold Reserve

MK0503074092 Moscow Teleradioveshchatelnaya Kompaniya Moskva Television in Russian 1545 GMT 2 Mar 92

[From the "Moskovskiy Teletayp" newscast]

[Text] At the request of Yegor Gaydar, vice premier of the government, the Supreme Soviet Presidium has rejected the Presidium draft resolution whereby the Government was instructed to transfer the gold reserve held at the Russian Federation Gokhran [State Depository] to the balance of the republic's central bank.

Since most of the mined gold is used for industrial purposes the government must retain the necessary freedom of maneuver, Gaydar said. The Presidium instructed the Central Bank board together with the government to work on the question of demarcating powers in the sphere of the disposal of gold reserves.

Regional Affairs

Further on Moscow Public Rally Moratorium

LD0403193692 Moscow TASS International Service in Russian 1040 GMT 4 Mar 92

[By ITAR-TASS Correspondent Galina Sugak]

[Text] Moscow, March 4 (TASS)—The government of Moscow intends to persuade the people of the city to agree to the imposition of a moratorium on all mass demonstrations in the capital during the period of the implementation of economic reforms in Russia. A decision to this effect was adopted at a session of the government held today.

The session discussed applications from representatives of parties and public movements to hold mass meetings on 12 and 17 March and 5 April.

Speaking on recent events in the city which involved clashes between police and demonstrators during public rallies on February 23, Moscow Vice-Mayor Yuriy Luzhkov said that "vandalism and the willful disobedience of some demonstrators show that organizers of the rallies failed to control the situation." When they apply to the authorities to inform them of mass demonstrations and receive recommendations on their location, he went on, "the government's opponents do not take account of the wishes of the city administration, and they thereby demoralize normal life in the centre of the capital."

According to Gennadiy Ponomarev, the city prosecutor, legal proceedings have been instigated against people accused of damage to city property and violations of public order which led to injuries among both the civilian population and militia personnel. According to experts, the total damage is estimated at 11,000 rubles [R], in addition the city lost R105,000 due to public transport detention.

The session approved a draft document regulating the procedure for holding mass demonstrations in the city, which is to be signed by the mayor of Moscow. As regards the applications to hold mass meetings in March and April, a final decision has not yet been made on this matter.

Opposition Parties Picket Russian Parliament

LD0403190692 Moscow TASS in English 1303 GMT 4 Mar 92

[Text] Moscow March 4 TASS—Opposition parties picketed the Russian parliamentary building on Wednesday [4 March] in protest against the bloodshed in Moscow and the Dnestr Republic of Moldova on February 23.

The rally was organised by the opposition movements Labour Moscow, Russian Party, Union for Protection of Soviet Citizens, Slavic and Russian national cathedrals and other organisations.

Their leaders Viktor Anpilov, Vladimir Yakushev and Viktor Movchan demanded trial over Moscow Mayor Gavriil Popov, Vice-Mayor Yuriy Luzhkov and city Police Chief Arkadiy Murashov.

They also urged Russian parliamentarians to stop violence in the Dnestr Republic.

Several dozen policemen and demonstrators received injuries during clashes in Moscow last Sunday. Several people were killed as a result of clashes between police and armed militants from the Dnestr Republic in Moldova.

Tatar President Rejects Referendum Cancellation

OW0403182092 Moscow INTERFAX in English 1609 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] President of Tatarstan Mintimer Shaymiyev has turned down the proposal by a number of the republic's democratic parties and movements not to hold the referendum because, they say, the question has been worded incorrectly. (On March 21, Tatarstan is to hold a referendum on the republic's political self-determination. The question is formulated in the following way: Would you like the Republic of Tatarstan to be a subject of international law, developing its relations with the Russian Federation and other republics on the basis of agreements and equality?—IF [INTERFAX]).

During the talks on Wednesday [4 March] with representatives of the Democratic Party of Russia, the Slavic Club and the Soglasiye (Accord) and Citizens of the Russian Federation movements, Mintimer Shaymiyev said that the status of the republic should be discussed nationwide and that Tatarstan would invariably maintain allied relations with Russia.

Tatarstan May Offer Union Treaty to Russia

OW0403182392 Moscow INTERFAX in English 1609 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] The Tatar President and the Supreme Council will possibly offer the Russian parliament before March 21, when a referendum on Tatarstan's status is to be held, to sign a treaty on the union between Russia and Tatarstan. Vice-President of Tatarstan Vasiliy Likhachov [name as received] said this at a press conference in Kazan Wednesday. According to him, the treaty will confirm the key principles of bilateral relations between the two republics.

The vice-president contended that in the light of the ongoing processes of decentralization of power in Russia, Tatarstan's aspiration for higher status is not original. Likhachov said that 14 former Russian autonomous republics had rejected a draft agreement on power sharing between the federal bodies and the subjects of the Russian Federation, among them Bashkortostan and Karelia.

Likhachov once again pointed out that the March 21 referendum will resolve only the issue of raising the legal status of Tatarstan". [quotation mark as received] In his words, the question on whether Tatarstan should become a subject of international law or not would be "secondary, and even artificial".

Tatarstan Milli Majlis To Be Set Up

LD0403211592 Moscow POSTFACTUM in English 1550 GMT 4 Mar 92

[From the "Politics" section]

[Text] At the session of Tatarstan's Milli Majlis, a Milli Idarya will be set up as an executive organ of the national parliament. The session opened on March 4th. It will also adopt regulations on Kurultai [a congress], local Milli Majlis', Presidium and constant commissions.

In the work of then session, 80 deputies from various districts of Tatarstan and areas of the CIS, among whom there are 9 deputies of the Supreme Soviet of the Republic of Tatarstan.

Bashkortostan on Russian Draft Constitution

PM0503094192 Moscow SOVETSKAYA ROSSIYA in Russian 3 Mar 92 p 2

[Correspondent M. Merzabekov report under the "Our Own Correspondents About the Past Week" rubric: "Bashkortostan Declares"]

[Text] Ufa—As is known, the upcoming Sixth Congress of Russian People's Deputies, which will be held in April this year, will examine, inter alia, the question of the draft Russian Federation Constitution.

The Bashkortostan Supreme Soviet has adopted a statement expressing the attitude of the republic's parliament to the CIS, to the situation that has taken shape in the Russian Federation, and also to its draft constitution. The collapse of the Union and the subsequent processes are creating a totally new situation for sovereign Bashkortostan, the statement points out. The sovereign republics are now trying to thrust it back and reduce it once again to the position of an autonomous oblast.

We advocate, the statement emphasizes, a substantial reshaping of our relations with Russia and their departure from the edict-administrative methods of "authority and subordination." The republic is seeking the conclusion of an equitable treaty on the fundamentals of interstate relations between the Russian Federation and the Republic of Bashkortostan.

The draft of such a treaty has been submitted to the Russian leadership.

The published new draft of the Russian Federation Constitution provides theoretical justification for the practice of opposing the republic's sovereignty, its parliament believes. It deliberately circumvents the peoples' rights to self-determination, which are recognized by the international community. The treaty-based nature of the future Russian Federation is denied. The Supreme Soviet of the Republic of Bashkortostan cannot support the draft Russian Constitution in such a form.

Aid Recipient Lists in Moscow Rayon Falsified

MK0503150192 Moscow Teleradioveshchatelnaya Kompaniya Moskva Television in Russian 1945 GMT 2 Mar 92

[Unidentified correspondent's video report from the "Moskovskiy Teletayp" newscast]

[Text] [Words indistinct] humanitarian aid in Moscow is exaggerated. As a rule rumors exaggerate everything. A workers control commission in Kuzminki did not rely on rumors and found the following in several separate instances. After a check, half of the first 14 names taken at random from a list of individuals recorded as having received sugar and margarine were found to be fictitious, or else the people had not received aid. Somebody had written the word "received" against their names. [video shows lists of names, document identifying N.S. Plotnikov as member of Volgogradskiy Rayon Soviet working group authorized to distribute aid, correspondent interviewing Plotnikov]

[Begin Plotnikov recording] So it follows that half of this aid is being diverted to an unknown destination and it is not known who is receiving it. [end recording]

A check of 14 names is not a basis for broad generalizations, but there is a firm desire to continue the checks.

Poll Shows 43.3% in Favor of Far Eastern Army

LD0403222192 Moscow POSTFACTUM in English 1943 GMT 4 Mar 92

[From the "Politics" section]

[Text] Khabarovsk—Polls have shown that 43.3 per cent of all those who were asked in the Far East are for setting up of the Far Eastern Army.

Of them, 30 per cent do not agree with the idea of setting up a professional Army and 26.7 per cent declared that do not have an opinion of their own.

A total 36.7 per cent of those questioned were for setting up of republican armies, whereas 23.3 per cent think that

a united command of the CIS Armies should be organized, and 30 per cent do not have an opinion of their own.

Twenty five per cent of those questioned think that nuclear arms should be concentrated in the hands of the United Command of the CIS Armies, 23.3 per cent think that the former USSR republics should have their own control over the nuclear arms, whereas 21.7 per cent prefer a common control over the nuclear arms from the side of four republics, i.e. Russia, the Ukraine, Kazakhstan and Belarus. According to 5 per cent of those questioned, the nuclear arms should be under the control of Russia, whereas 13.3. per cent said that they do not have an opinion of their own.

The results of the polls were published on March 3rd in Khabarovsk area mass media. The polls were carried out by the Far Eastern department of the All-Russian Center for Public Opinion Research. In the polls, 2,053 inhabitants of the region took part.

International Affairs

Turkmen Stoppage of Gas Deliveries 'Blackmail'

LD0403155592 Moscow TASS in English 1423 GMT 4 Mar 92

[By UKRINFORM correspondent Anatoliy Grigoryev—TASS]

[Text] Kiev March 4 TASS—The decision of the Turkmen leadership to cease gas deliveries to Ukraine is a dangerous economic blackmail, according to Ukrainian Prime Minister Vitold Fokin.

The price for gas grew 25 fold beginning March 1, and it turned out two days later that the incredibly high price does not include transportation costs, he said on Wednesday [4 March].

The major industrial enterprises of Ukraine work on Turkmen gas and the cessation of deliveries may bring them to a standstill.

Fokin threatened Turkmenistan that Ukraine may shut down transcontinental gas pipelines transporting Turkmen gas abroad through Ukraine. The shipments are an important hard currency source for the Central Asian republic.

"I think it is not too late to cancel the hasty decision and begin tripartite talks with the participation of the Russian gas concern, which transports the fuel", Fokin suggested.

Supplies to Turkmenistan Stopped

OW0403150692 Moscow INTERFAX in English 1334 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] Viktor Gladysh, Ukrainian industry minister, has said that in response to the stoppage of Turkmen gas supplies his republic suspended the delivery of machines, metal, sugar and other products to Turkmenistan. The minister does not expect Turkmenistan to resume gas supplies to Ukraine in the near future, because Russia has promised to free the prices of fuel as of April 16, and Turkmenistan, in his view, has adopted a "wait-and-see" stand.

Meanwhile, Ukraine has restricted the consumption of gas by its industrial plants, leaving gas supplies for the communal needs intact.

Heat, Hot Water Reduced

LD0503095592 Kiev Radio Kiev First Program Network in Ukrainian 1954 GMT 4 Mar 92

[Text] Supplies of heat to industrial enterprises in Kirovohrad Oblast have been reduced and supplies of hot water have been halted to housing areas in Kirovohrad, Oleksandriya, Znamenka, and Svitlovodsk. The reason for this is the cessation of gas supplies to Ukraine by Turkmengazprom. This has forced Maksymiv, director general of the Ukrgazprom production association, to ask the Kirovohrad Oblast executive committee to reduce the use of natural gas throughout the oblast by 32 percent. The oblast executive committee has appealed to Kirovohrad Oblast residents to show understanding about the situation that has developed, which is totally unwelcome by the authorities, and has called on them to cut back on the use of natural gas, heat, and electricity.

Assembly Suggests Revising Nuclear-Free Status

OW0403135092 Moscow INTERFAX in English 1256 GMT 4 Mar 92

[From "Diplomatic Panorama"; transmitted via KYODO]

[Text] The Ukrainian National Assembly (UNA) known for its radical outlooks believes that Ukraine might have to revise its striving for nuclear-free status. UNA motivated such a possibility with Russia's claims to the Black Sea Fleet. Its statement says that "Russia's aggressiveness as to which nation should control the Black Sea Fleet and the Crimea is a factor for political and military destabilization in the world, and an evidence in favor of the need to revise the Ukrainian government's attitude to nuclear arms".

30-Day Visas for Foreign Visitors Introduced

LD0503000692 Kiev Radio Kiev in English 2200 GMT 4 Mar 92

[Text] The Ukraine Foreign Ministry has introduced changes in relation to the arrival of foreign citizens to our republic from the states with a visa [word indistinct]. These changes are aimed at promoting the development of foreign, economic, cultural and humanitarian cooperation between Ukraine and other states and simplifying the current procedure of the registration of entrance visas.

From now on this procedure will be realized directly on the state border of Ukraine, in a number of its international airports, at the international border passage stations, and in the sea port of Odessa.

Beginning 1 March one can obtain on the border a visa for staying in Ukraine for a period of 30 days. The aim of the visit and invitation of a foreign citizen are not taken into account. The cost of such a service for one person is 54 USD [U.S. dollars].

Soviet Germans Invited To Live in Ciscarpathia

AU0403095892 Ivano-Frankivsk HALYCHYNA in Ukrainian 18 Feb 92 p 1

[Text] The leadership of the Lvov Oblast has expressed willingness to accommodate some Soviet Germans in Ciscarpathia.

As stated by S. Davymuka, first deputy chairman of the Lvov Oblast Executive Committee, this does not involve granting the deported Germans a certain territory or a separate district. According to him, between 10 and 20 families will be able to settle in one place.

National Affairs

Republic 'Stands on Brink' of Economic Collapse

LD0403232692 Moscow POSTFACTUM in English 2045 GMT 4 Mar 92

[From the "Politics" section]

[Text] Kiev—The Ukraine stands on the brink of an economic collapse, says Vladimir Grinev, deputy chairman of the Supreme Soviet of the republic.

According to Vladimir Grinev, three factors at least indicate an approach of the economic collapse. First, failed attempt of experimenting in the field of monetary circulation. Its consequences are not understood as yet, but in fact, nowadays in the Ukraine a kind of confidence gap has arisen in the Ukraine as far as introduction of its own currency is concerned, says deputy chairman of the Supreme Soviet. According to him, this situation is further aggravated by the fact that Russia has found reserves of the rouble stabilization, so that against this background failure of the Ukrainian coupon ideology is seen even clearer.

The second reason for the forthcoming economic crisis is considered by Grinev to consist in the great negative balance in the trade with Russia, which will sharply increase due to the price liberalization for fuel in Russia. Grinev said that the economic crisis has already caused mass joblessness. Thus, e.g. plant named after Malyshev in Kharkov sent 3,000 of its workers to the indefinite leave, whereas the rest work only three days a week. In the nearest months, Grinev thinks, a large-scale close-down of enterprises can take place. All these factors, deputy chairman of the Supreme Soviet stressed in his interview for PF [POSTFACTUM], are superimposed on the completely helpless logics of the government in carrying out of economic reforms. Grinev is confident that the Ukraine's salvation can lie in the change of the cabinet of ministers, reconsideration of the logics of economic transformations, as well as determination of economically feasible interactions with Russia.

Idea of Common Economic Area Criticized

AU0403181992 Lvov ZA VILNU UKRAYINU in Ukrainian 18 Feb 92 p 3

[Article by Bohdan Zablotskyy, candidate of economic sciences: "Hryvnya Will Do No Good if a Single Economic Space is Maintained"]

[Text] The rise of the Ukrainian economy from the chronic decline is often tied to the introduction of the national currency. This is not accidental. National currency is an inseparable attribute of a people's statehood in general and is an expression of the traditions, character of economic activity, labor, and culture, in short, of the entire complex of a national state life. It is a mistake to believe that the replacement of Russian ruble banknotes by the Ukrainian multiple-usage coupons and then by hryvnyas will immediately change the situation for the better. On the contrary, the introduction of Ukrainian hryvnyas, without a complex of economic reforms, may do irreparable economic, social, and political damage. Replacement of certain monetary signs by others has never done any good and will never be any advantage. An illusory stabilization may set in for a short period of time, but this measure will not rescue the Ukrainian economy from the crisis situation. The problem of Ukrainian money lies in the fact that hryvnyas must replace the devalued Soviet money qualitatively and quantitatively. The banknotes have lost their value because there were no incentives in the Soviet economy for entrepreneurship, efficiency of labor, growth of the volume of commodity production, circulation of monetary resources, and so on. Everything was done contrary to the requirements of market laws: It was not commodity production that expanded but the production of money that was launched into circulation through the increases of wages. Presently, the population of Ukraine has money that exceeds the total cost of goods available on the domestic consumer market by a factor of three to four.

The problem is further aggravated by the fact that Ukraine has agreed to a zone of action of the ruble that is common within the framework of the commonwealth of the countries that used to make up the former union. All the negative processes of economic activity in Russia will automatically find expression in Ukraine's socioeconomic life. This was well confirmed by the price liberalization in Russia and the related frantic search by the Ukrainian Government for a protection from the intervention of the ruble in Ukraine. This could be avoided, so that no unnecessary sociopolitical and economic tension would have been created, had the government proceeded consistently to the creation and establishment of our own national currency. Instead, it is now necessary to hastily raise prices, introduce multiple-usage coupons that are, incidentally, in short supply, or beg for devalued Russian rubles....

The problem of introducing our own money reduces to one thing: the need to establish a socially justified ratio of the total cost of commodities to the total sum of money for the movement of these commodities. The sum of money must not exceed the total cost of commodities. If a sum of hryvnyas corresponding to the total sum of rubles in circulation is introduced in such a way that the population's savings are not affected, this will not lead to anything, unless radical economic changes are introduced that would somewhat forestall the monetary reform. The essence of the reorientation must lie in creating such a situation in which everybody would be

involved in manufacturing products for himself and for the market. Competitiveness of goods must become the principal index of quality of the productive activity of enterprises. This is very important both for the producers and for the transition of the Ukrainian economy to market relations.

The state and its organs at various administrative levels must create the most favorable conditions for stimulating labor, growth of productivity, renovation of products, improvement of their quality, creation of new types of products for domestic and foreign markets, and attraction of foreign investments in new technologies. It is only highly productive and highly efficient work on the part of producers, only their creative search in reality and not on paper, as was the case in the conditions of socialist economic management, that will ensure reliable functioning of Ukraine's own money.

As soon as a national currency is introduced, it is necessary to elaborate measures for making it convertible. This will make it possible to integrate the national economy within the system of international distribution of labor and competition and will enable every enterprise to choose conditions for its economic activity on the domestic and foreign markets; requirements regarding efficiency and quality of production will also increase.

However, the conditions for the creation of our own monetary unit and its convertibility have not yet been prepared. The government is deliberately hampering the measures for the introduction of a national currency and is dragging Ukraine into a serious economic crisis, while the parliament does not adopt the law on private ownership and on the disbandment of collective farms and the creation of free farms. The sowing campaign is near at hand, but there is no progress in agricultural reform.

It seems that the parliamentary commission for questions of economic reform understands this problem correctly: The convertibility of the Ukrainian hryvnya must not be guaranteed by gold or other precious metals, but first and foremost by a high-quality commodity mass that is in everyday demand. However, goods do not appear from nowhere—they must be created. We again turn to labor, that is to say, to the real essence of the cost of commodities and to the symbol of this cost—money. Consequently, the first constituent in the triune formula "quantity and quality—commodity cost—sum of money": quantity and quality of labor must be the principal element. The sum of money is put into circulation in accordance with the cost of the commodities, no more and no less. Before Ukraine introduces its own money, it must protect its market from the pernicious influence of the ruble or other devalued currencies. Labor must simply pour into agriculture, the processing industry, production of consumer goods, and the sphere of services. All barriers on this road must be eliminated. This is, first of all, the absence of private ownership in Ukraine and its still existing imperial ties with Russia. Even if we fully appropriate the property of the former union on our territory, but will maintain even the slightest imperial ties, then, in the future, these ties may become a noose strangling Ukraine. We do not need any common economic space on the basis of the ruble but need economic cooperation based on trade with everybody, including republics of the former USSR. Everybody will trade just as he works. The people of Ukraine can work and will be able to create commodities both for our domestic and foreign markets and guarantee a reliable international rate of exchange for our own monetary unit—the hryvnya.

Production of Strategic Missiles Curtailed

LD0403183592 Kiev Radio Kiev in English 0100 GMT 3 Mar 92

[Text] Fundamental changes will soon involve the entire defense complex of Dnepropetrovsk region. Upon the decision of the Cabinet of Ministers of Ukraine, it is planned to curtail the manufacture of strategic missiles there. For dozens of years orders of the military-industrial complex and scientific-technical implementation of the space program have been the main activity of the local multithousand production collective. Only as of late orders from the agro industry were realized and the output of consumer goods was expanded as a result of conversion.

Commander Concerned Over Non-Native Conscripts

PM0403122992 Moscow KRASNAYA ZVEZDA in Russian 29 Feb 92 p 2

[Interview with Lieutenant General Vitaliy Radetskiy, commander of Odessa Military District, by Colonel N. Mulyar: "How Things Stand in Odessa Military District"; place and date not given—first two paragraphs are editorial introduction]

[Text] Readers of KRASNAYA ZVEZDA will be conversant with what has happened in the three military districts located on Ukrainian territory: namely, the removal of the former commanders. We have also reported on those appointed to the command posts in Ukraine by decree of the Ukrainian president. We will not repeat our assessments of this fact—they have already been expressed, notably in our newspaper. One way or another the position of the officers now in charge of these districts and their assessments of the prevailing situation are bound to be of interest, since both the search for mutual understanding on large defense issues and decisions about the servicemen's future will hinge on them to a very great extent.

Our correspondent put a number of questions to Lieutenant General Vitaliy Radetskiy, now commander of the Odessa Military District.

[Mulyar] A large migration of personnel from Ukraine to other states is planned. This will clearly have an impact on the district's vital activity. Are steps being taken to curb this process?

[Radetskiy] A difficult question. Its solution depends, in my view, on the position adopted by the authorities of all the Commonwealth countries. Almost all officers, except for a few percent, have made up their minds to take the oath of allegiance to the people of Ukraine and will serve where they did before. However, the service of NCO's and enlisted men, particularly in the second and third period, is a cause of concern. Many of them have not taken the oath of allegiance and are demanding to be sent to the states where they were drafted. Some are even trying to make off with equipment and disappear with their weapons. This could all have grave consequences.

[Mulyar] And how do things stand with those who are ending their service?

[Radetskiy] They are worried by two questions: Will a Ukrainian Defense Ministry order discharging them be issued in April, and will their service be taken into account in their own republics? We are explaining the situation and hope that all the issues will have a positive outcome. A detailed plan for sending servicemen home by plane, train, and other transport has already been conceived. Crews have been drawn up, team leaders appointed, and food for the journey will be provided. The main thing is that everyone should understand that deserters are regarded indentically in all states—with mistrust—particularly when someone turns up looking dirty and ragged and not wearing his military uniform.

[Mulyar] Thousands of specialists will be leaving the district. That will have an impact on its combat readiness, will it not?

[Radetskiy] I do not think so. Accelerated training of young specialists is under way in the district training center, and we will be graduating cadets early. Ukrainian citizens will replace the commanders of tanks and sections and drivers who return to their own states.

[Mulyar] And what will happen to officers and NCO's who do not take the oath?

[Radetskiy] I can reply unequivocally that no one will suffer. Of course, a commander of a regiment or division who does not take the oath of allegiance to the people of Ukraine relinquishes the moral right to command people on its territory, but we have no such commanders in the district. As far as other officers who have not taken the oath are concerned, there are few of them. For example, there are only 17 men in district headquarters who have not taken the oath. Whatever, I am sure that Ukraine will offend no one.

[Mulyar] A final question, Vitaliy Grigoryevich. CIS units will also be stationed in the district. How will you collaborate with them?

[Radetskiy] We will collaborate in all areas. The main point is that it must be explained to every commander that no one is entitled to interfere in the affairs of a sovereign state on whose territory he is serving. I am sure that we will work out correct solutions here.

Nationalism Viewed as Ideology of Future

AU0403123792 Lvov ZA VILNU UKRAYINU in Ukrainian 20 Feb 92 p 1

[Article by Ivan Besyada: "Nationalism—an Ideology That Has a Future.... Subjective Remarks on One Conference"]

[Text] The dynamic nature of the present political life in Ukraine is directly reflected in sociopolitical organizations that are active in our state. For example, prior to the proclamation of independence, the Ukrainian Interparty Assembly occupied extreme radical positions that amounted to absolute nonrecognition of the existing state organs of power; it united political structures that had the same platform. Today, after the transformation into a Ukrainian National Assembly [UNA], it has, in fact, become a new organization with a new structure of membership (the collective and associated types of membership have been supplemented by membership on an individual basis) that has chosen Ukrainian nationalism as a basis of its activity and that unites political forces sharing this principle. Besides, the UNA has occupied a central position among the advocates of the given political theory—between the radical Ukrainian Nationalist Union and the Ukrainian State Independence moderate political association; incidentally, the two latter are its collective members.

One of the principal problems of Ukraine's present sociopolitical life is the elaboration of a modern ideology and philosophy that could be acceptable nationwide, something that, according to Ukrainian President Leonid Kravchuk, we do not have today. Of course, one may agree or disagree with this thesis. However, the fact that the search continues, at any rate, among Ukrainian nationalists, has been confirmed by the theoretical conference "Nationalism and Problems of Ukrainian Policy" that was held by the UNA at Lvov University.

The theoretical spectrum of the conference was quite varied: It ranged from the question "Nation as a Factor in Political Life" to the problem of the future of the Ukrainian Navy. However, the essence of all the speeches that were delivered may be described by a single formula: the search for a modern theory of nationalism in general and Ukrainian nationalism, in particular. Precisely search, because it is premature to talk about a ready concept adhered to by the present young generation of nationalists. This may be exemplified by the discussion on what makes nationalism different from patriotism, with a wide variation of views on this question.

The broad range of views expressed by the participants in the conference that dealt with the notion of nationalism is also attested to by a listing of forms of its expression. These forms included respectable and nonrespectable (meaning, perhaps, democratic and nondemocratic) nationalism and the denial of the appropriateness of such a view. Monarchic and "sociobiological" forms of nationalism were also represented. This was

both a search for the sources of nationalism in the Bible and the defense of the principles of national hierarchy and of the caste and tribe structure of the nation. Finally, this amounted to a comparison between nationalism and religion.

A thesis was repeatedly advanced at the conference: So many people, so many opinions. A general impression was that, today, the very fact of professing the given ideology is more important for representatives of nationalist organizations than the adherence to a particular variety of nationalism. This is, undoubtedly, a positive fact. It is common knowledge that we are strong when we stick together. It is true that here it would be worth recalling yet another aspect of the proclaimed maxim: ...and when there are no aliens among us. It is wonderful if there is an understanding of the main thing—the need to maintain and revive the originality of the Ukrainian nation. However, it is already a thing of the past to see the main enemy of this originality in the image of Moscow or in the nature of the Ukrainian people (as though they are lazy or whatever). (Although, it is clear that we will have to work hard in this direction). It is therefore not worth underestimating a more serious threat, even though the mechanism to combat it is known.

One can argue and disagree with much of what was said at the UNA theoretical conference. However, I would like to point out one more thing. Contrasting nationally aware Ukrainians with other Ukrainians who are referred to scornfully as "little Russians" is, mildly speaking, an error. Instead of being opposed, the former must dissolve in the latter and, like sugar sweetens tea, make them like-minded. This is the task. This is an unlimited area for action.

As for nationalism as an outlook, it seems to me that it is precisely such a platform that may unite the Ukrainian nation. Nationalism as an outlook seems to have become more expressive than ever; it has developed and become stronger having awakened great numbers of peoples who are striving to create their own states.

As was pointed out at the conference, nationalism is closer to the human being than are socialism or liberalism, because nothing unites people better than belonging to the same nation. Of course, one may agree or disagree with this statement. However, the fact that today young Ukrainians are attracted to the ideas of nationalism indicates that this ideology has a future.

Pre-Strike Alert at Donetsk Coal Industry

LD0303222992 Moscow POSTFACTUM in English 2033 GMT 2 Mar 92

[Text] Donetsk—Pre-strike alert was announced at Donetsk coal industry enterprises for the period of signing of the general agreement on tariffs.

The corresponding information was cabled to Ukrainian President Kravchuk and Prime Minister Vitold Fokin.

The telegram also points out that the Donetsk workers' committee supports the demand of the 1st Congress of the Ukrainian Independent Miners Union to conclude the general uniform agreement on tariffs between the Ukrainian government and the Independent Miners Union. Similar telegrams to the president and prime minister of the Ukraine were sent by Independent Miners Unions in Krasnoarmeysk, Pavlograd, Makeevka and other coal industry centers. This information will be featured in the first issue of the NOVOSTI I SOBYTIYA (NEWS AND EVENTS) newspaper of the Donetsk city strike committee, which is to hit the stalls on March 3.

Government's Policy on Miners Criticized

AU0403104092 Lvov ZA VILNU UKRAYINU in Ukrainian 18 Feb 92 p 3

[Commentary by Myron Sluka (from Chervonohrad): "Beat Over the Head by the Miners"]

[Text] It appears that the "timber" blockade imposed on Ukrainian miners by chauvinist circles of the Russian Government and meant as a stunning blow upon the head of the obstinate Khokhols [slightly derogatory term for Ukrainians] has been broken. Whatever might be the case, the lowest point of the timber shortage, when the reserves in the storehouses could only last for another two days, has remained in the past. Not a single mine in the Lvov-Volyn coalfield has been halted. What has rescued them? In accordance with the urgent resolution issued by the Ukrainian Cabinet of Ministers, timber is being delivered to the miners from republican resources. As stated by Volodymyr Lisovyy, administrator of the supply service of the "Ukrzakhidvuhillya" association, 25,000 cubic meters of timber have been given to Galician miners. The cargo is being transported, without delay and at agreed prices, from Lvov and Volyn oblast forestries. Thus, there are boards, beams, and mine props that are necessary for fixing underground workings.

However, there remain reasons to be worried, because the reserves of timber are still one-third less than necessary. The coalfield uses up to 400 cubic meters of timber a day for the needs of coal extraction. Therefore, the reserves being allocated by the resolution from Kiev will not last long. It is true that the Cabinet of Ministers has promised Galician miners 1000 tonnes of sugar for barter exchange. However, it dictates the terms of such trade (1000 cubic meters of timber for 50 tonnes of sugar). It was recommended that the miners look for partners who would agree to such terms outside the state. Telegrams flew from the region of the Bug river to the wooded zone of Russia.... Following the lead of the Russian economic policy, the Fokin government will, perhaps, drive the miners into a crisis and will then heroically overcome the obstacles at the expense of their health and well-being.

Telecommunications System Set for Upgrade

AU0503115492 Lvov ZA VILNU UKRAYINU in Ukrainian 18 Feb 92 p 4

[Report by Kost Chavaha: "The Nearest Way to America—Via Zolochiv"]

[Text] Preparations have started in Lvov to install Ukraine's first digital telephone exchange.

While only a month ago one could only make a phone call from the Carpathian Mountain village of Slavskyy, or from Kiev to New York, or from Peremyshl via Moscow, the 150 channels that pass through the former center have now been supplemented by 30 direct ones to North America. By the end of February, three dozen lines will be in operation to Western Europe and Israel. Thus, the joint venture formed by the American company AT&T and the Dutch RTT Telek, together with the Ukrainian State Committee for Communications, are quickly implementing this major project.

During the signing ceremony in Kiev, both sides emphasized that the objective of the project is to bring our state out of the communications Middle Ages. First, the joint venture has begun to create a new telephone network that will connect Ukraine directly with the world and, second, it will build a modern telephone network inside 13 out of 25 telephone areas of our country. More than $1 billion will be required to implement these plans.

The first direct lines are already being used by state institutions in Kiev, by diplomatic representatives, and by businessmen. It will not be long before we will complain less about the poor performance of telephone communications outside the capital. The people in Galicia will be relieved first. It is not by chance that the first exchange is being built in Lvov. This is because the lines here are particularly busy. Moreover, there is a space communications ground station in the vicinity of Zolochiv that will make it possible to call directly practically any point on the globe.

Moldova

Fighting Stops in Dubossary; Officials React

Cease-Fire Declared

LD0503072892 Moscow TASS in English 0705 GMT 5 Mar 92

[Report by ITAR-TASS correspondent Fyodor Angeli]

[Text] Chisinau March 5 TASS—The conflicting sides in Moldova agreed late on Wednesday [4 March] to cease fire. A corresponding protocol was signed by Moldovan First Deputy Prime Minister Andrey Sangeli and Grigoriy Marakutsa, speaker of the parliament of the Dnestr region not recognised by Moldova.

The sides agreed to refrain from the use of force in solving disputed problems. The top officials of Moldova and the Dnestr region will now have a telephone hot-line functioning round the clock. Hostages taken by both sides will be released in the near future, their armed units are to be withdrawn from the area of conflict.

In the meantime, Moldovan police are strengthening their forces which are to be used "to restore order and law on the left bank of the Dnestr, according to the MOLDOVA-PRESS news agency. Anyone who wants to participate in the task is asked to go to a local police station to be recruited by the Interior Ministry, it said.

Igor Smirnov, president of the Dnestr region, not recognised by the Moldovan parliament appealed to the leaderships of Russia, Ukraine and Belarus to become mediators in the conflict and prevent bloodshed.

The Dnestr region, populated mostly by non-Moldavians, opposed the republican drive to unite with Romania and claims sovereignty.

No Violations Reported

LD0503104892 Moscow Mayak Radio Network in Russian 1000 GMT 5 Mar 92

[Text] On events in Moldova: As we have already reported, the opposing sides have agreed to a cease-fire in effect from 2300 Moscow time on 4 March. The sides have undertaken not to continue using force to resolve arguments and conflict situations. It was also stipulated that both sides' armed formations will be withdrawn from the conflict zone. The MOLDOVAPRES Agency has reported that so far there have been no reports of any violations of this agreement by either side.

The NEGA Agency adds that a regular session of the conciliation commission will take place this evening in the settlement of Golerkany. There are reports that President Snegur is preparing a number of measures to normalize the situation in connection with the conflict in Dubossary. It is expected that today he will speak at the Moldovan Supreme Soviet session. Observers stress that the measures planned by the president will be of an exclusively political nature.

State of Emergency in Dubossary

LD0403160792 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1500 GMT 4 Mar 92

[From the "Novosti" newscast]

[Text] News bulletins broadcast by local television have announced the introduction of a state of emergency in the town of Dubossary. Town residents, the majority of whom are Russians, have barricaded the bridge across the Dnestr in order to put an obstacle in the path of the special Moldovan units which have approached the town.

Universal Conscription Introduced

LD0503043592 Moscow Radio Rossii Network in Russian 0200 GMT 5 Mar 92

[Text] On March 4 an extremely tense situation continued in Dubossary. Throughout the day, concentrations of Moldovan police were observed on the right bank of the Dnestr.

In Pridnestrovye universal conscription of men aged 18-40 has been announced.

Detachments of Cossacks from Russia have started to arrive in Dubossary. Learning of the seriousness of the state of affairs, Igor Smirnov, the leader of the Pridnestrovye republic, called upon Russia and Ukraine to act as mediators in settling the conflict.

14th CIS Army Said Neutral

OW0403144292 Moscow INTERFAX in English 1334 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] Maj. Gen. Yuri Netkachev, commander of the 14th CIS army stationed in the Dnestr area, has reaffirmed the army's non-interference in the local armed conflict. He stressed that "we are subordinated exclusively to the CIS commander-in-chief and do not intend to side with either of the conflicting parties."

The general refuted allegations that the 14th army had broken up and was fighting on both sides of the barricades.

Meanwhile, the leader of women strikers in Tiraspol, Gallina Andreyeva, has said over the local radio that women activists will take steps to oust 14th army servicemen from the left bank unless they cross over to the Dnestr republic's side.

Snegur Comments on Conflict

AU0503084792 Bucharest Radio Romania Network in Romanian 2030 GMT 4 Mar 92

[Statement by Moldovan President Mircea Snegur in Chisinau on 4 March—recorded]

[Text] Esteemed fellow citizens: While the leadership of the republic is making efforts to integrate independent Moldova into the world community, certain forces hostile to this line have once again generated tension, a fact that has already caused bloodshed. The policy promoted by the leaders in Tiraspol has reached its logical end. The left side of the Nistru in the Republic of Moldova is turning, under the eyes of world public opinion, into a source of civil war. The situation has reached a critical stage in this region.

As a result of the chaos and the disinformation campaign promoted for more than two years in certain localities, part of the population has a distorted idea about the real processes that are taking place in the republic and about the genuine purpose pursued by the republic's leadership.

This conflict has been given an ethnic tinge. This is achieved with the help of certain former union mass media and constitutes an awkward attempt to cover up the military-communist effort by the phantom republic aimed at attracting national patriotic forces in Russia.

We want to express the hope that the current democratic leadership in Russia will show understanding for our problems and will take measures to stop outside interference in sovereign Moldova's affairs. I am talking about the cossacks and other forces who have come to Moldova to allegedly defend—it is not known against whom—the population in Transdnester.

I want to inform the population that the whole leadership of the republic has repeatedly proved its goodwill and support for settling this conflict by peaceful means. However, the self-proclaimed leaders on the left side of the Nistru river—referring to the free expression of the residents' will, which is nothing but an invention—have done nothing to achieve a compromise and they have violated all the understandings reached following the activity carried out by the Conciliation Commission.

Capitalizing on the fact that part of the population is not sufficiently informed, they instilled in people the illusory idea about the genuine nature of the existence of the pseudo-republic they proclaimed and imposed—by directly violating the law—joining the ranks of the illegally militarized formations. Consequently, there have been losses of human lives and the population is living in an atmosphere of constant fear.

Judging by the information available to us, the citizens, who favor territorial integrity and state independence for the Republic of Moldova, being indignant about the unlawful acts committed by the armed guardsmen and under the pressure of the circumstances, began to acquire weapons. Of course, this can be termed as a violation of the law. But you have to agree that given the arbitrary acts that are taking place and the increasing threat of the physical extermination of the local population, and seen from a moral angle, this can be justified. We will not tolerate the genocide of the inhabitants in this region and will seek appropriate and effective forms to defend our people.

At the same time, I want to express my concern about the simplistic attitude by a group of residents toward the events that are currently taking place—a small number—who are able to destabilize the situation in our republic's capital. Understanding and sharing their patriotism we cannot, however, send people to their certain death. I believe that joining the legal formations of the bodies of law and order and the national army is a more genuine solution.

In order not to permit bloodshed and to stop the further escalation of hostilities, I want to appeal to all citizens in Moldova to be calm and not to fall prey to panic. The leadership of the Republic of Moldova does not intend to resort to force to solve this prolonged political conflict. Given the situation that has been created, the only means to achieve civic peace is the unconditional observance of the territorial integrity of the Republic of Moldova and the solution of all problems that have piled up through constitutional, parliamentary means.

This being said, I want to appeal to the people's deputies in our republic—elected throughout Moldova—to show civic courage and to resume their activity in parliament.

Fellow citizens, the Republic of Moldova has become a member with full rights in the world community. This means that we have assumed the commitment to respect all international accords and conventions. At the same time, we justifiably expect that the United Nations and its institutions will not permit outside interference in the affairs of our independent state. The problems of the republic have to be solved by its citizens, without the interference of the mercenary cossacks and other militarized formations.

The separatists' commands are now facing the option: To accept the compromise that has been proposed, namely the creation of a free zone within the unique and indivisible Moldova, or to turn the territory of the republic on the left bank of the Nistru into a new Nagorno-Karabakh. I am convinced that the wisdom and peaceful spirit of our nation, combined with the actions taken by the leadership of the republic aimed at preserving our state's integrity, will enable us to overcome this explosive situation and to proceed to our creative work in the name of the peaceful and dignified future of our people.

Dnestr Leader on Situation

LD0503001692 Moscow TASS in English 1830 GMT 4 Mar 92

[By ITAR-TASS correspondent Igor Peskov]

[Text] Moscow March 4 TASS—The conflict between the Dnestr Republic and Moldova is of a "poltical and not inter-ethnic character. It is connected with the pro-Romanian orientation of the Moldovan leadership," Aleksandr Karaman, president of the Dnestr Moldovan Republic, which is not recognised by the Moldovan authorities, told journalists here today.

According to Karaman, the course towards the merging with Romania, followed by the Moldovan Government, is the main thing with which the population of the Dnestr region does not agree. Karaman, an ethnic Moldovan, said that the majority of his nation "wishes to retain its national identity and leave [as received] in peace with other nations on the territory of the Republic." The leadership of the Dnestr Republic is suggesting a referendum on the whole of Moldova's territory on the problem of the merging with Romania, but the republican authorities are rejecting the suggestion.

Kazakhstan

Complaints of Baykonur Soldiers Confirmed

LD0403163592 Moscow Mayak Radio Network in Russian 0900 GMT 4 Mar 92

[Text] Many facts set forth in the demands and statements by the Baykonur construction soldiers, who, unhappy with their lack of rights carried out violent protests, have been confirmed. This was stated to journalists by Yuriy Khitrin, state councillor of the Republic of Kazakhstan and a member of the government commission created to investigate the circumstances behind the unrest of 23-25 February, after his return today from the scene of the events.

He emphasized that in a number of units and subunits a situation had developed where regulations were flouted and beatings carried out and that the command of the Chief Special Military Construction Directorate was to blame for this. Officers paid practically no attention to the living conditions of the soldiers, who would go for weeks without taking a bath and who were poorly fed. Attempts to prevent the burning of barracks and buildings, the stealing of clothing and food, and desertion led to a number of officers receiving injuries of varying degrees of severity. A fire in one of the barracks killed three servicemen.

The republican procuracy has instituted criminal proceedings in all the crimes. The question of the liability of the guilty parties will be decided after a thorough investigation.

At the recommendation of the government commission, Major General (Chekov), the chief of the directorate, has been dismissed, along with several officers. The situation in the military construction detachments is now on the whole back to normal. Measures are being taken to restore the normal routine of army life; the barracks are being repaired; and the questions of daily living conditions and the soldiers' food are being resolved, Yuriy Khitrin stated.

President Proposes Nagorno-Karabakh Settlement

LD0403164992 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1514 GMT 4 Mar 92

[Address by Kazakhstan President Nursultan Nazarbayev on 4 March; place not given, from the "Novosti" newscast—live or recorded]

[Text] The crisis surrounding Nagorno-Karabakh has now taken on a threatening nature and has led in effect to direct military conflict. The mediation efforts that Russia and Kazakhstan undertook earlier, the document signed in Zheleznovodsk, and the participation of other neighboring states have not led to the necessary result, and the escalation of military actions is continuing. Great material damage is being inflicted, and, most importantly, people are dying. I think we were all particularly shaken by the tragedy of the town of Khodzhaly of the Azerbaijan Republic, the seizure of which led to numerous casualties.

The Nagorno-Karabakh crisis has led to confrontation between Azerbaijan and Armenia, the seizure of ammunition and weapons from servicemen, and is leading to more and more tragedy. What is happening in Nagorno-Karabakh may have a tragic effect not only on the Transcaucasus as a whole but may affect the political situation in other CIS regions. When we heard what had happened in the town of Khodzhaly—earlier we all suffered over what happened in Stepanakert—I was unable to remain unconcerned because President Yeltsin and I undertook certain obligations. By telephone, I got in touch with President Ayaz Mutalibov; Levon Ter-Petrosyan, president of Armenia; General Viktor Samsonov, chief of the General Staff of the CIS troops. And I also decided to address the Azerbaijan and Armenian people and, primarily, the inhabitants of Nagorno-Karabakh to understand that such a confrontation will not lead to any good result other than death and grief for people.

At the same time, I want to put forward proposals on this matter. What do we have to do for the Commonwealth states to take concrete steps to ensure, to influence for the better the situation in Nagorno-Karabakh?

In my view, first, at the level of the Council of Heads of State, adopt a decision on an immediate cease-fire and the removal of the blockade of roads and communications. Second, with the aim of demonstrating goodwill and the peaceful aspirations of their states, in my view everyone ought temporarily to suspend the creation of their own armies, especially in the Transcaucasus region.

Third, embark without delay on the creation of special forces, subordinate to the Council of Heads of State, for the maintenance of peace in crisis regions of the CIS. The Republic of Kazakhstan is ready to submit such a draft—and incidentally, such a draft was proposed at one of the first meetings of the heads of state of the Commonwealth, and it was not adopted then. We see that such a document is necessary and such an agreement and such forces should be created.

Fourth, I regard it as necessary to support the peace efforts of the CSCE and for members of the Commonwealth to send their representatives to take part in the activity of mediation groups to resolve the conflict.

I think that no one should remain unconcerned among the inhabitants of all the states that we now call the Commonwealth of Independent States because this concerns them all.

Nazarbayev Receives EC Commission Delegation

LD0303112692 Alma-Ata Kazakh Radio Network in Kazakh 1500 GMT 2 Mar 92

[Text] The Kazakhstan president has received a delegation of the EC Commission, headed by its vice president, Hans Andriessen. Nazarbayev informed the EC representatives of progress in introducing market relations in the republic, and of the problems and difficulties which are emerging at the same time. It was noted in particular that active assistance from the EEC will make it possible substantially to enhance the pace of switching Kazakhstan to a qualitatively new level of development, and to avoid many shortcomings and omissions in retraining personnel.

Andriessen voiced the EC's aspiration to establish direct contacts with Kazakhstan and the other republics belonging to the CIS. Nazarbayev received an invitation to pay a visit to the Community's headquarters in Brussels to resolve an appropriate range of issues of mutual interest.

Taking part in the meeting were Kazakhstan prime minister Tereshchenko and the leaders of a number of ministries and departments.

EC 'Delay' Criticized

MK0403141092 Moscow NEZAVISIMAYA GAZETA in Russian 4 Mar 92 p 3

[Unattributed report under the "In Brief" rubric: "Kazakhstan"]

[Text] On 1 March Nursultan Nazarbayev met with Franz Andriessen, deputy chairman of the EC Commission, who is paying a brief visit to Alma-Ata.

During the talks they discussed the situation in the CIS republics and possible EC credits. As you know, the EC gave the former USSR state financial aid and is demanding reliable guarantees at government level that it will be repaid.

During the conversation with Andriessen, Nazarbayev said quite frankly that the collapsed Union was a Eurasian state like Kazakhstan. If the EC continues to delay in deciding to grant the sovereign states real aid, there will be nothing left for Kazakhstan at least to do but to return to its Muslim brothers in the East.

Moreover, Nazarbayev drew his interlocutors' attention to the fact that the CIS states need aid now, at a moment which he described as critical: "The shock therapy started two months ago has not yet brought any positive changes. Moreover, there is no sign even of any such symptoms, and that is serious cause for alarm."

Nazarbayev Meets With Kuwaiti Finance Minister

LD0303094992 Kuwait KUNA in Arabic 1118 GMT 29 Feb 92

[Excerpts] Alma-Ata, 29 February (KUNA)—Kuwaiti Finance Minister Nasir Abdullah al-Rawdan met with the Kazakh President Nursultan Nazarbayev and conveyed to him a message from His Highness the Emir of Kuwait Shaykh Jabir al-Ahmad al-Sabah. Nazarbayev stressed his country's sympathy with and support for Kuwait regarding the Iraqi occupation and his country's desire to develop economic relations with Kuwait. He said that his country has great resources but needs external aid and modern technology to benefit from this wealth. The Kuwaiti-Kazakh talks dealt with a number of political and economic issues of common interest. [passage omitted]

In a statement to KUNA Kazakh President Nursultan Nazarbayev said that the main economic difficulties which Kazakhstan is suffering from lie in the transfer from central economy to free market. [passage omitted] He said his country possesses vast quantities of oil, gas, and minerals, and that these make Kazakhstan capable of self-sufficiency. Nazarbayev welcomed cooperation with Kuwait in the sphere of oil and gas and said that Kazakhstan is negotiating with Western companies. Nazarbayev expressed his country's wishes to develop relations with the Arab states, in general, and the Gulf states in particular. [passage omitted]

Cooperation Agreement Signed

LD0203135692 Kuwait KUNA in Arabic 0842 GMT 1 Mar 92

[Excerpts] Alma-Ata 1 Mar, KUNA—Kuwait and the Republic of Kazakhstan signed yesterday a memorandum of understanding to bolster cooperation in the fields of petroleum and security between them. KUNA has learned that the memorandum included a number of proposals, including the provision of the Republic of Kazakhstan with the necessary technical know-how in the drilling for oil and its refinery.

Sources at the Kuwaiti delegation, currently visiting Alma Ata, told KUNA that agreement was reached for Kazakhstan to help Kuwait to remove mines; Kazakhstan has the necessary expertise and equipment to deal with the mines left behind by the Iraq regime before its expulsion from Kuwait in February 1992.

The Kuwaiti side handed the Kazakh side the initial agreement for the protection and the guaranteeing of mutual investment; the agreement will be signed after examination later. [passage omitted] The Kuwaiti-Kazakh talks dealt with a number of political and economic topics of interest to both countries.

Facilities To Sell Weapons on Free Market

LD0303174392 Moscow Radio Moscow World Service in English 0800 GMT 3 Mar 92

[Text] Defense complex facilities in Kazakhstan that are short of funds have decided to sell some kinds of arms and combat vehicles at a free market. The first trading will be in May by the stock exchange PAKS-Alissa in Alma-Ata. The arms on sale will include a Sukhoy 24MK bomber and radio surveillance instruments. The arms will be sold to companies for hard currency at world prices. A number of countries, including Syria, have displayed interest in it, according to a spokesman of the corporation of Kazakh defense complex facilities.

Syria Possible Buyer

PM0303112792 Moscow IZVESTIYA in Russian 29 Feb 92 Morning Edition p 2

[Vladimir Ardayev report: "You Can Buy a Bomber in Kazakhstan..."]

[Text] Alma-Ata—IZVESTIYA (No. 30) published a report saying that Kazakhstan intends to sell weapons through a system of exchanges. Official denials of it never came, instead confirmation did appear: Such trade is already being conducted.

On 26 February correspondents from two news agencies—Kazakhstan's DANA-PRESS and Moscow's POSTFACTUM—met in Alma-Ata with Vladimir Misnikov, president of the "PAKS-Alisa" exchange, Aleksandr Golovenko, general director of the "SOVIG Co." joint enterprise, and also a representative of Kazakhstan's military-industrial complex who asked to remain anonymous. As the DANA-PRESS correspondent testifies in a special report for IZVESTIYA, it was stated at the meeting that the sale of weapons through the "PAKS-Alisa" exchange will begin provisionally in May. Specifically, a Su-24MK (called "butcher" [myasnik] in military slang) variable-geometry front-line bomber (strike aircraft) and an item which for the time being is still secret, whose code we have been asked not to give, and which is mounted on an armored personnel carrier and designed for "coordinating air and ground forces," will probably be put up for auction.

Weapons will be sold only abroad. Syria was named as one of the most likely purchasers. The appropriate equipment package chosen will depend on the customer.

For instance, the "butcher," an all-weather jet strike aircraft, is capable of performing combat operations in zero-visibility conditions and flying "at minimum altitudes"... The item for "coordinating air and ground forces" records communications and can also monitor tape recordings "outside the item."

We are not just talking about future projects—the experience already exists. According to V. Misnikov, president of the "PAKS-Alisa" exchange, seven "KamAZ" military vehicles equipped with 30-watt autonomous power stations have already been put up for sale.

For his part, A. Golovenko stated that his enterprise has already sold diesel submarines abroad for scrap at a price of between $130 and $180 per tonne. Incidentally, the "SOVIG Co." joint enterprise was set up at the end of the eighties, A. Golovenko said, by a decision of the then Kazakhstan Council of Ministers. One of the founders was the Canadian firm "Gamma-Capital." It also jointly founded the Kazakh Foreign Economic Bank.

The anonymous military-industrial complex representative reported that the establishment of contacts with commercial structures is an enforced measure, it is a struggle for survival. After the Union's disintegration, military-industrial complex enterprises and organizations were deprived of the state order and state subsidies. An enormous number of first-rate specialists and unique equipment are standing idle without either wages or work.

All the republics are now seeking the opportunity to sell military equipment, those assembled stated. Nobody wants to sell it through Moscow. If there is no help from the sidelines, we will have to search out this help under our own steam. The military-industrial complex representative said more specifically: The question of selling weapons is a question that can be solved.

Agreement With Kyrgyzstan Lifts Restrictions

LD0303182692 Alma-Ata Kazakh Radio Network in Kazakh 0000 GMT 3 Mar 92

[Text] An agreement has been signed between the Republic of Kazakhstan and the Republic of Kyrgyzstan on lifting restrictions in economic activity. This document is directed at creating the most favorable economic and legal conditions for entrepreneurial activity of all types of economic structures, the development of market relations, and broad economic links between the two republics. The full text of the agreement will be published in the press.

Russian Speakers Appeal Against Discrimination

PM0303153592 Moscow ROSSIYSKAYA GAZETA in Russian 28 Feb 92 First Edition p 7

[Correspondent Sergey Skorokhodov report: "'Slavic Movement'"]

[Text] Alma-Ata—"Slavic Movement" activists from Kokchetav have appealed for assistance to the Social Protection Coalition, which recently united the majority of Kazakhstan's political parties with the exception of overtly nationalist ones. They set forth the essence of their demands in an appeal to the parliament and the president. It states: "A purposeful state policy of ousting the Russian-speaking population from the republic's territory has been implemented in Kazakhstan for a number of years. This is confirmed by the adoption of

the laws 'On the State Language' and 'On Citizenship,' which discriminate against the Russian-speaking population, and also by the population's organized migration.

"In this connection we consider the following necessary:

"—Russian is to be preserved as the state language on territories with a predominantly Russian-speaking population;

"—a representative of the Russian-speaking population is to be appointed head of the administration in oblasts with a predominantly Russian-speaking population;

"—representatives of all the nationalities living on the territory of Kazakhstan are to be accorded equal citizenship rights;

"—the population's migration, organized for political purposes, is to be halted."

The "Slavic Movement" came into being, so its leaders maintain, to protect mainly the city's intelligentsia, who, in connection with the increasingly active implementation of the law "On the Languages of the Kazakh SSR [Soviet Socialist Republic]," might be left without a job and without the means to exist.

Republic's Citizenship Law Effective 2 Mar

LD0203185192 Moscow Radio Rossii Network in Russian 1000 GMT 2 Mar 92

[Text] The Republic of Kazakhstan's law on citizenship comes into effect today. It does not recognize dual citizenship, with one exception: this can be held by Kazakhs who were forced to leave the republic and now live in either the former Soviet republics or other states. The law explicitly says that Kazakhstan will pave the way for such people to return to the land of their forefathers. According to approximate counts, up to 3 million Kazakhs currently live outside Kazakhstan. There are particularly large numbers in the People's Republic of China and in Mongolia, says the RIKA agency.

Palestinians To Aid Building Hospital

LD2902225792 Alma-Ata Kazakh Radio Network in Russian 1500 GMT 27 Feb 92

[Text] The readiness of the Palestinian side to build, as a gift to residents of Semipalatinsk Oblast, a hospital to treat people suffering from the consequences of nuclear weapons testing was stated during a visit to Alma-Ata by Nabil 'Amr, ambassador extraordinary and plenipotentiary of the state of Palestine in Moscow. As reported by the Press and Information Department of the Ministry of Foreign Affairs of Kazakhstan, he paid a visit to the Ministry of Foreign Affairs of our republic, where he was received by Deputy Minister Batrakauly. During the conversation there was a discussion of the establishment of diplomatic relations. Nabil 'Amr also visited the Ministry of Foreign Economic Relations.

Turkmenistan

Diplomatic Relations Established With Turkey

LD2902231892 Moscow TASS International Service in Russian 1823 GMT 29 Feb 92

[Text] Ashkhabad, 29 Feb (TURKMENPRES-TASS)—Saparmurad Niyazov, president of Turkmenistan, today received Hikmet Cetin, minister of foreign affairs of the Republic of Turkey, who is here on an official visit. A protocol was signed on establishing diplomatic relations between Turkmenistan and the Republic of Turkey. The presentation of Selcuk Incesu, ambassador of Turkey to Turkmenistan, was held.

Expressing the position of his government, Hikmet Cetin stressed that the Turkish side is ready to begin implementing the agreements outlined during the recent visit to Turkey by the president of Turkmenistan. It is planned to open a branch of the Turkish National Bank, a library, and school in Ashkhabad in the near future. Should the need arise, Turkey is ready to lend assistance in the issuing of a Turkmen currency.

The Turkish delegation will leave Ashkhabad for Dushanbe tomorrow.

'Common Roots' Shared

OW0103172392 Moscow INTERFAX in English 1331 GMT 1 Mar 92

[Transmitted via KYODO]

[Text] Turkmenistan and Turkey share common interests in all areas, Turkish Foreign Minister Hikmet Cetin said at a news conference in Ashkhabad on Saturday [29 February] after his talks with the Turkmen Government.

According to Mr. Cetin, the two countries have common roots, and Turkey feels it is obliged to provide any necessary assistance to Turkmenistan. By doing so Turkey does not pursue any selfish interests, even though Turkmenistan is rich in natural and labor resources.

The Turkish foreign minister said Turkey would assist Turkmenistan in obtaining such trappings of independence as national passports, a national currency and identification cards. An agreement was also reached whereby employees from the Turkmen Foreign Ministry, the central bank and educational institutions will come to Turkey for a course of practical training late March.

Turkey is willing to provide assistance in switching the Turkmen language from the Cyrillic to the Latin alphabet. Necessary equipment will be granted to Turkmenistan as soon as transportation problems are solved.

Should Turkmenistan institute its own passports, Turkey is ready to lift visa barriers, he said.

With respect to economic ties, Turkey will assist Turkmenistan in constructing a pipeline and in transportirig Turkmen gas through Turkey to other countries.

Asked about alleged disagreements between Iran and Turkey with respect to exerting influence on Turkmenistan, he said that as it provided assistance, his country did not intend to compete with any country. What is the most important thing for Turkey is to establish good-neighborly relations between states and Turkey will be only glad if such relations are established between Iran and Turkmenistan.

Turkey's Cetin Pledges Aid

TA2902152692 Ankara ANATOLIA in English 1445 GMT 29 Feb 92

[Text] Ashkhabad (A.A)—Foreign Minister Hikmet Cetin said here on Saturday [29 February] that Turkey will do its utmost to help Turkmenistan which is in the course of transition from a totalitarian regime to a democratic regime and from a hard planned economy to market economy.

Ashkhabad is the second leg of Hikmet Cetin and his party's tour of the seven Central Asian republics, which started on Friday the 28th.

Cetin repeated here that Turkey is sharing the U.S. view that the initiative started by Russia should be backed for the solution of the Nagorno-Karabakh dispute between Azerbaijan and Armenia.

At the Ashkhabad airport Cetin said Turkey has historical, cultural and religious ties with Turkmenistan.

"However," he said, "Turkey should not be alone in extending help to Turkmenistan and other new republics in the region, although Turkey is prepared to act as pioneer in this respect."

Cetin told journalists on the plane from Baku to Ashkhabad that he got the impression in Baku that there was no territory left unoccupied by Armenians in Nagorno-Karabakh and that Armenian forces had taken control of the disputed enclave.

Negotiations Sought With Ukraine on Gas Prices

OW0303174292 Moscow INTERFAX in English 1358 GMT 3 Mar 92

[Transmitted via KYODO]

[Text] Most probably, the future of Turkmen gas supplies to Ukraine will be discussed at the negotiating table, member of the presidential council and deputy head of the Turkmen Government Nazar Suyunov told journalists following his Tuesday [3 March] telephone conversation with Ukrainian Vice Premier Viktor Gladysh.

Nazar Suyunov confirmed that at all appearances Turkmenistan would insist on prices no lower than those on the Russian gas i.e. 2,360 roubles for 1,000 cubic meters. The average world price on gas amounts to 86 US dollars for 1,000 cubic meters.

Turkmenistan terminated its gas supplies to Ukraine on February 29, after Ukraine demanded that the earlier established price of 800 roubles for 11000 cubic meters include transportation expenses as well.

Suyunov Offers Compromise

LD0503125692 Moscow Radio Moscow World Service in English 1200 GMT 5 Mar 92

[Text] The deputy prime minister of Turkmenistan, Nazar Suyunov, says his republic is ready for compromise on the issue of gas exports to Ukraine but finds the existing terms of delivery unacceptable. The minister referred to a telephone conversation with Ukrainian leaders who agreed to open talks on the controversial issue. He said the price offered by Ukraine failed to cover production and delivery costs and that his republic had better offers from other countries, including neighboring Iran.

Draftees Withdraw From Ukraine, Transcaucasus

PM0403144992 Moscow KRASNAYA ZVEZDA in Russian 27 Feb 92 p 1

[TURKMENPRESS-TASS report: "Turkmenistan Solving Draft and Discharge Problems in Its Own Way"]

[Text] Ashkhabad—The Turkmen presidential decree on the discharge into the reserve of servicemen who have completed their draft service on the republic's territory, and on the stationing of Turkmen servicemen arriving from other CIS states has come into force. The first servicemen to be discharged into the reserve are leaving their units today.

Turkmen Defense Affairs Minister Dalatar Kopekov, commenting on the decree, noted that there have recently been many letters to the ministry from servicemen drafted from Turkmenistan asking to be transferred home. There has been a particularly large number of letters from units in Ukraine and the Transcaucasus. In order to ensure that they do not violate military statutes or leave their posting voluntarily, the republic's government has decided to withdraw its draftees from these states in an organized manner. They will replace the May 1991 draftees who have been discharged into the reserve.

Armenia

Azerbaijani Claims Concerning Khodzhaly Denied

LD0403224792 Moscow TASS in English 2150 GMT 4 Mar 92

[Text] Moscow March 5 TASS—Some 1,000 people were killed late in February during the attack, staged by Armenian fighters on the town of Khodzhaly in Nagorno-Karabakh with the predominantly Azeri population, said Rasim Agaev, head of the press service of the Azeri president. He spoke at a press conference in the Azeri permanent mission on Wednesday [4 March].

A video film was shown at the press conference, which deals with casualties among the civilian population of Khodzhaly. The film was made on February 28. According to an ITAR-TASS correspondent, who attended the press conference, journalists saw the dead bodies of women and children.

Agaev said that servicemen of motorised rifle regiment No. 366 of the CIS Allied Armed Forces had taken part in the attack on Khodzhaly on the side of Armenians. The press centre of the Allied Armed Forces refuted on Tuesday reports about the participation of the regiment in combat operations in Nagorno-Karabakh.

The staff of the Nagorno-Karabakh Self-Defence Forces refuted on Wednesday the statements, made at the press conference in the Azeri mission in Moscow. It described as falsehood the film shown to journalists about the "atrocities in Khodzhaly". All civilians had been evacuated from Khodzhaly long before the beginning of the operation for suppressing fire positions, an ARMENPRESS correspondent was told there. According to the same sources, eight Armenian fighters and 20 soldiers of the Azeri National Army were killed in the Khodzhaly fighting.

Commenting on the video film about the developments in Khodzhaly, IZVESTIYA wrote that it featured the dead bodies not of the soldiers killed in action, but of peaceful civilians. The newspaper's correspondent saw "dozens of children aged from two to fifteen, women and old people, who were shot dead, most of them at a point-blank range."

President on Nagorno-Karabakh, Azerbaijan

PM0503111992 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Mar 92 p 2

[Interview with Armenian President Levon Ter-Petrosyan by Valeriy Simonov; place and date not given; under the "First Persons" rubric and the general heading: "'Successes in This War Can Only Be Temporary'"]

[Text] Yerevan-Baku-Moscow—[Ter-Petrosyan] Successes in this war can only be temporary.

[Simonov] In the "preperestroyka" USSR, Armenia probably appeared the most prosperous republic: clothed, shod, replete, happy... How much time will you need to return it to its former state?

[Ter-Petrosyan] Well, this will be quick: a year or two. I am convinced that we will be able to do this—to return. But later on, when new needs arise, things will be more complex.

[Simonov] In Yerevan today, where there is no lighting, heating, or hot water, people probably do not need so much...

[Ter-Petrosyan] Just as in all the CIS states, evidently. Yes, the situation in the republic is grave. But, at present, in fact, no one is managing to create an autonomous and viable economic system. It is not just a matter of the overcentralized nature of the economy of the former USSR, for today's troubles also stem from the fact that all the republics are egotistic and all, without exception, are endeavoring to snatch as large a piece as possible when the legacy of the former Union is shared out. This interest is the motivating force behind everyone, eclipsing common sense and reason.

Our internal debt weighs very heavily on us (I am not speaking at present of our foreign debt, for the West is prepared to wait), and we are disastrously short of ready cash. We have nothing with which to pay wages, and industry also has been at a standstill because of the blockade. Credits are the only way out. We have managed to reach agreement with Russia, and we are maintained by its credit at present.

We hope to obtain foreign investments and loans, and we must extricate ourselves somehow. It is an important fact that Armenia is not threatened with starvation. We have survived this winter only thanks to land reform. If we had not given land to the peasants in time, Armenia would not have survived—no exaggeration! Now we must fully privatize the processing industry, etc... We will pull through!

[Simonov] You have not mentioned the war in Nagorno-Karabakh. How much is it costing Armenia, and how much are you investing in it?

[Ter-Petrosyan] I disagree with the way you put the question. Yes, a war is going on there, and yes, we are helping the Nagorno- Karabakh people. But our state is not incurring any military expenditure there. I am telling you this officially. Armenia has taken it upon itself to provide life support, and it is setting aside a piece of bread for Nagorno-Karabakh under very difficult conditions. We even take gasoline there by helicopter, for Nagorno-Karabakh has been getting nothing either from the center or from Baku for four years now. This is, of course, a heavy burden on the republic's budget. But this, I repeat, is not military expenditure.

[Simonov] But people are shooting there, and for a long time now no longer are just using hunting rifles. Where have the armor, shells, rockets, and gear come from?

[Ter-Petrosyan] The weapons are smuggled. Don't forget there are 300,000 refugees from Azerbaijan here. Probably as many Nagorno-Karabakh people live in Armenia, they all have relatives there, and they all are striving to help in the struggle, which they consider a just one.

[Simonov] The world press has carried reports of mercenaries, of foreign specialists in guerrilla warfare, in the ranks of Armenian armed formations...

[Ter-Petrosyan] They are not reports but rumors, and quite unconfirmed, incidentally. There are citizens of Armenia in Nagorno-Karabakh, the overwhelming majority of whom are natives of Nagorno-Karabakh.

[Simonov] What is your assessment of the Armenian detachments' latest successes?

[Ter-Petrosyan] They are temporary. Successes in this war can only be temporary. In April and May of last year, successes attended Azerbaijan, and the Soviet Army's support in actions to deport 24 Armenian villages accounts for everything there. The advantage is now on the side of the Nagorno-Karabakh people, and I would attribute this to their moral conviction above all, and only this. But I say that even this success is temporary. Sooner or later we will have to sit down at the negotiating table, because in such a war, it is impossible to conquer, to take by force. A delay means more and more victims.

[Simonov] But how is it possible to separate the sides in a war where no rules or laws operate? How can you get close to real talks?

[Ter-Petrosyan] At least the Soviet Army units and internal troops that were in Nagorno-Karabakh restrained the opposing sides. Since their withdrawal, the struggle has assumed a larger scale and become fiercer. Restraining forces are needed, and it is necessary to create a system to guarantee security. How is this to be done when there are decisions by the parliaments of Russia, Ukraine, Belarus, and other republics prohibiting their citizens from participating in the resolution of ethnic conflicts? A way out does exist. Both Yeltsin and Nazarbayev have proposed setting up interstate restraining forces within the CIS framework in place of the troops that have been withdrawn. This proposal was advanced in earnest by Yeltsin and supported by Nazarbayev, and I, too, am in favor of it. However, other republics have opposed it. But it must not be forgotten that Nagorno-Karabakh is not the only area of conflict in the country. Sooner or later we must set up such forces.

So, the creation of a system to guarantee security. Second, the region's demilitarization. Third, the start of talks, where the Armenian side can propose the following option: full autonomy for Nagorno-Karabakh, the complete unblocking of Nagorno-Karabakh's roads, and the ensuring of Nagorno-Karabakh's normal vital activity. This, I believe, is the solution that will be acceptable today both to Nagorno-Karabakh and to Azerbaijan.

If an autonomy emerges whereby internal problems, including cadre questions, will be resolved by the local authorities, then the sides can reach an agreement. I would like to believe that the status of an autonomous republic within Azerbaijan would fully satisfy all the sides, for then Nagorno-Karabakh would remain within Azerbaijan, the republic's territorial integrity would be preserved, and the Nagorno-Karabakh people in turn would be guaranteed vital activity. This is our position. We are prepared to discuss it at any level.

[Simonov] A military alliance has been signed between Russia and Armenia. Is this not, in your view, a violation of the principle of collective security proclaimed by the CIS members? If ratified, will this treaty not push Russia toward involvement in the conflict over Nagorno-Karabakh?

[Ter-Petrosyan] No, not on any account. This conflict... This war is portrayed in the press as a war between Armenia and Azerbaijan. There is no such war. Azerbaijan is fighting its own citizens, within Azerbaijan.

This is war—an internal war. So the treaty does not apply to such moments. The treaty applies only to the moment when Russia or Armenia might be subjected to aggression, and in such cases there is a clause on mutual assistance. That is all.

[Simonov] Military issues and the Nagorno-Karabakh situation—what percentage of your time do those problems take up amid all the other presidential concerns?

[Ter-Petrosyan] Unfortunately, no less than half of my time and energy is devoted to this, since Armenia's viability [zhizhneobespecheniye] and all the consequences of the blockade are linked to the Nagorno-Karabakh problem. It's all interlinked.

[Simonov] Is there a relationship between Presidents Ter-Petrosyan and Mutalibov?

[Ter-Petrosyan] I have an absolutely normal relationship with Mutalibov, and in human terms there is no psychological incompatibility between us. I could say that I have a certain sympathy for him. I am convinced that the Azerbaijani president is just as sincere in wanting a peaceful solution to the conflict, that he is prepared for talks, and that he is opposed to war. But I get the impression that Mutalibov is not in control of the situation and that he has been forced to make concessions to the opposition and meet their demands.

[Simonov] You were the first president to support the idea of the creation of the CIS, and you stated that Armenia wanted to join this Commonwealth. A couple of months have passed, and many people are disappointed that their hopes have been dashed...

[Ter-Petrosyan] No, I am not disappointed. The Commonwealth may not be working smoothly yet, but there

is still no alternative. The partitioning will end and the integration process will begin. I am sure of that. We need to firmly establish cooperation mechanisms more rapidly, particularly those which monitor the implementation of adopted decisions. It has become customary to forget numerous treaties as soon as they are signed and to act contrary to all obligations.

And I will reveal another secret: Sincere talks between leaders are only possible in a one-on-one setting. I have had such talks with Yeltsin and Nazarbayev, but not with the others. All these roundtable sessions are just out-and-out diplomacy. What can you do—those are the rules of the game...

But, in general, we really do have a vested interest in the CIS. But this does not rule out the possibility that we will look for different approaches.

[Simonov] There has been a lot of talk recently about Armenia's desire to take part in the Black Sea economic program—with Turkey, Iran, and the countries of the Near East. But there are probably historical prejudices in the Armenian-Turkish relationship, aren't there?

[Ter-Petrosyan] I would like to think that we have managed to overcome this psychological barrier. While still in opposition, we started propagandizing the idea that we must live as neighbors with Turkey, and while there are contradictions, we need to proceed today on the basis of the republic's real interests; namely, the establishment of close contacts with Turkey. Of course, this is a very delicate issue, since 1915 has left its mark. But the essence of wisdom should be that the sides refrain from setting preconditions in the process of establishing mutual relations. There have been complaints and rebukes from the opposition on this score, but I believe that this will all die down when the new relations start working and when Turkish goods start appearing here in Armenia.

[Simonov] Levon Akopovich, why do people try to hang on to power with such frenzy and passion?

[Ter-Petrosyan] You really think so? When people gain power they lose a lot. In the past everyone respected me—as an academic who knew a dozen languages and who was an authority in his field—and there was not a single person who hated me. Now there are people who hate me...

At the end of my term I will go back to academic work. Quite honestly, politics no longer interest me, because my main aims have been achieved: Armenia has gained its independence. I believe that any government could more or less organize our lives. This just does not interest me any more.

Soon more able and professional people should come to the fore—from a generation which already knows the taste and value of independence, freedom, and democracy. And of peace, too.

Wants Peace-Keeping Forces

AU0403155992 Budapest NEPSZABADSAG in Hungarian 3 Mar 92 p 6

[Interview with Armenian President Levon Ter-Petrosyan by Demeter Pogar in Yerevan; date not given: "We Want Peace-Keeping Forces"]

[Text] The Nagorno-Karabakh war that was still fought with clubs and stones four years ago has now become a battle of tanks and rockets. Some 400,000 people have been driven away from the territory of Armenia and Azerbaijan in approximately equal proportions. Dozens of villages have been burned down in Nagorno-Karabakh. Even foreign powers are trying to curb the devastation. Demeter Pogar, editor-reporter of Hungarian Television's "Panorama" program, interviewed Ter-Petrosyan on the chances of settlement.

[Pogar] Mr. Ter-Petrosyan, what made the situation strained in Nagorno-Karabakh?

[Ter-Petrosyan] The fact that, after the withdrawal of the Soviet Interior Ministry troops, no intermediary force exists there anymore and Azerbaijan thinks that it has enough power to solve the Nagorno-Karabakh issue through force. In other words, it has enough power to forcibly evacuate the Armenians from Nagorno-Karabakh. Unfortunately, the Azeri view is that deportation of the Armenians is the only possible solution to the problem. For 18 months, we have been trying to reach a common platform with the Azerbaijanis, and we suggested that we sit at the negotiating table. We achieved that Russian President Yeltsin and Kazakh President Nazarbayev participated in the settlement attempt. We held discussions, but we had to realize that Azerbaijan did not have an adequate proposal for a compromise.

[Pogar] Nevertheless, you negotiated with Azerbaijan in Moscow.

[Ter-Petrosyan] We have had many such meetings already. I am in favor of holding such discussions, but I do not really expect any progress in them because my experience is that until Azerbaijan comes up with some compromise proposals, these negotiations will lead nowhere. We have drawn up a compromise package.

[Pogar] What is your goal?

[Ter-Petrosyan] We want the Armenians to have the right to live on their own land. The right conditions have to be ensured for this. The essense of our proposals is to establish a reliable system in Nagorno-Karabakh that guarantees security, and then the establishment of a self-government with full powers has to be ensured. I believe that people in Nagorno-Karabakh would be satisfied with being given the type of self-government that Russia's autonomous republics have. After this, we could start to discuss the final solution of the Nagorno-Karabakh issue. To do this, we obviously need a ceasefire, and the blockade of the roads in Nagorno-Karabakh

has to be removed. The natural living conditions of Nagorno-Karabakh have to be ensured. To achieve this, we definitely need to have constructive negotiations between Armenia and Azerbaijan.

[Pogar] What do you understand by the final solution of the Nagorno-Karabakh situation?

[Ter-Petrosyan] In my view, Nagorno-Karabakh's right to self-determination has to be respected. In other words, a solution that first of all satisfies them has to be offered to Nagorno-Karabakh. In my view, this is the solution to the Nagorno-Karabakh problem. Armenia is not an active side in this issue and accepts all solutions that the people in Nagorno-Karabakh agree with.

[Pogar] Russian President Yeltsin suggested that U.N. forces be sent to Nagorno-Karabakh. Do you agree with this?

[Ter-Petrosyan] This is definitely necessary. The Nagorno-Karabakh situation was a domestic matter while the Soviet Union existed. However, it became an international issue through Armenia's and Azerbaijan's independence. The possibility of resolving this issue within the recently formed commonwealth has also emerged. A suggestion was made to set up peace forces of the republics in place of the central army. However, other republics were not happy about the idea. In my view, the commonwealth will have to set up these forces, because Nagorno-Karabakh is not the only such conflict, and new ones may also crop up in the future. If we do not manage to set up these units within a reasonable time, then we will indeed have to turn to international organizations. For example, the CSCE countries have already sent their observers here.

[Pogar] It was precisely at the Prague conference of the CSCE foreign ministers where the Armenian foreign minister suggested that Nagorno-Karabakh become independent and belong to neither Armenia or Azerbaijan.

[Ter-Petrosyan] This corresponds to the principle of national self-determination.

[Pogar] However, the Azerbaijan Parliament passed a law, according to which a referendum has to be held on the whole territory of the republic on the issues of changing the borders.

[Ter-Petrosyan] There is no precedent for this in international practice. The people living in the given area have to decide on their own fate. We can recall that such referendums were also held in Scotland and in the French colonies.

[Pogar] The Armenian defense minister recently stated that Nagorno-Karabakh should be made into an impregnable fortress. Do you possess the necessary means to do this?

[Ter-Petrosyan] In my opinion, this was mainly a moral call. The Armenian people are indeed interested in the ability of the people in Nagorno-Karabakh to defend themselves and their honor. As for the means, it is no secret that Nagorno-Karabakh has lived from the Armenian budget in the past three years. In other words, Armenia ensured the living conditions of Nagorno-Karabakh. We deliver money, food, and even fuel to them because neither Baku nor Moscow does this.

[Pogar] Apart from Georgia, Armenia is surrounded by Muslim countries that feel an affinity toward Azerbaijan, and they may even support it.

[Ter-Petrosyan] I would like to draw a line between peoples and governments in the matter of affinity. The peoples do feel affinity with Azerbaijan, but, on the level of national policy, I have not experienced that the neighboring Muslim countries—that is Iran and Turkey—officially support Baku. For the time being, both Tehran and Ankara are neutral. The fact that we managed to avoid giving a religious tint to the conflict might have contributed to this. There were attempts made to drag us into it, though. Therefore, we declared at the very beginning that we did not consider the Nagorno-Karabakh conflict to be a battle between nations and religions, and that Armenia had no territorial demands. The basis of the conflict is that Azerbaijan does not repsect Nagorno-Karabakh's right to self-determination.

[Pogar] In your view, what could guarantee peace in Nagorno-Karabakh?

[Ter-Petrosyan] As I already mentioned, mainly the peace-keeping forces of the Commonwealth of Independent States could guarantee security. If such forces cannot be set up then the UN forces will have to intervene. We can only talk about demilitarizing the region afterward—I repeat, only after the establishment of adequate guarantees. A solution could be brought closer if the former administrative structures that were eliminated by Azerbaijan were restored in Nagorno-Karabakh. The local authority and the police could ensure normal living circumstances for all people regardless of nationality.

[Pogar] In your opinion, what should Armenia do to oblige Azerbaijan to make allowances in the Nagorno-Karabakh issue?

[Ter-Petrosyan] Nothing. Armenia is doing everything it can anyway; it is proposing negotiations and compromises. I stress that it is wrong to believe that this war is a conflict between Armenia and Azerbaijan. This is not the issue. Azerbaijan is fighting against its own citizens, and it is using force against them. This is how we see this problem. On our part, we are ready to use all our means and authority to influence the people in Nagorno-Karabakh and find a peaceful solution.

Official Says Nagorno-Karabakh Independent

MK0503095092 Moscow NEZAVISIMAYA GAZETA in Russian 5 Mar 92 p 3

[Interview with Shavarsh Kocharyan, deputy chairman of the Republic of Armenia Supreme Council External Relations Commission, by Armen Khanbabyan; place, date not given: "By Holding the Referendum, Nagorno-Karabakh Became Independent From Both Azerbaijan and Armenia, Shavarsh Kocharyan, deputy chairman of the Republic of Armenia Supreme Council External Relations Commission, Believes"]

[Text] [Khanbabyan] Mr. Kocharyan, does the Armenian SSR [Soviet Socialist Republic] Supreme Soviet resolution of 1 December 1989 "On the Reunification of Nagorno-Karabakh Autonomous Oblast [NKAO] With Armenia" remain in force?

[Kocharyan] The resolution on reunifying the Armenian SSR with the NKAO was adopted at a time when a unified federative state—the USSR- existed, and it was a question of an autonomous formation switching, in accordance with the will of its population, from one subject of the federation to another within the framework of the laws that existed at that time.

But today the situation is qualitatively different. August 1990 saw the election of a new Armenian parliament which adopted a declaration on the country's independence. A referendum on independence was also held later: on the territory of the republic of Armenia, not of the Armenian SSR, which ceased to exist from August 1990. Districts for holding the referendum were formed in Armenia, but not in Nagorno-Karabakh. The republic's Supreme Council proclaimed the republic's independence, this decision does not relate to Nagorno-Karabakh. We have been admitted to UN membership within the borders clearly outlined by the referendum. Legally speaking, the question of the republic's territory is clear—it does not include Nagorno-Karabakh.

[Khanbabyan] Don't all these steps by the Republic of Armenia run counter to the interests and wishes of the second subject of the joint decision on reunification?

[Kocharyan] No, the second subject of this resolution also no longer exists in the legal sense. On 2 September 1991 the NKAO Oblast Soviet, the Shaumyanskiy Rayon Soviet, and deputies from all levels elected from these two formations proclaimed the formation of the Nagorno-Karabakh Republic, of which Shaumyanskiy Rayon, which had not formed part of the NKAO, became part. A referendum on independence was held in December 1991. The entire Armenian population, and it makes up 80 percent, answered in the affirmative, and a Supreme Soviet was elected. The territory of the NKR [Nagorno-Karabakh Republic] is outlined just as clearly by the referendum as the territory of Armenia was.

[Khanbabyan] In that case should not Armenia rescind a decision that gives grounds for accusations of territorial claims?

[Kocharyan] In reality it has been repeatedly rescinded by documents on both sides. Moreover, the legal subjects that adopted the decision do not exist. This resolution is no more than a historical document today.

[Khanbabyan] Nevertheless, there is a belief that Yerevan is controlling the course of the conflict in Nagorno-Karabakh. And Armenia is effectively continuing to exercise power there.

[Kocharyan] That is not so, because as a result of the elections totally different political forces gained majorities in the Armenian Parliament and the NKR parliament. In Armenia there is the Armenian Pan-National Movement, and in Nagorno-Karabakh the "Dashnaktsutyun" party, which in Yerevan is in opposition to the Armenian Pan-National Movement. So the course of processes in Nagorno- Karabakh is being controlled by the will of its people, which is mostly shaped by opposition to direct pressure from Azerbaijan. Other factors are less significant.

[Khanbabyan] But despite all that Armenia is aiding Nagorno-Karabakh?

[Kocharyan] That is true, and it could not be otherwise. Our compatriots live in the NKR, and attempts are being made to drive them out of their native land. We cannot remain indifferent to the deaths, blockade, and destruction of Nagorno-Karabakh cities and villages. Or to the flouting of human rights that is now going on there.

Azerbaijan

'Betrayal' Delays 366th Regiment Withdrawal

PM0403201192 Moscow IZVESTIYA in Russian 5 Mar 92 Morning Edition p 1

[Viktor Litovkin report under the general heading: "Nagorno-Karabakh: CIS Army Soldiers and Officers Fight on Both Sides of Conflict"]

[Text] What was secret is becoming plain. Facts which were carefully concealed by officials, but of which the whole world is talking, have been confirmed. Individual officers, ensigns, and soldiers of the 366th Motorized Rifle Regiment, stationed in Stepanakert (Khankendy), have taken part in combat operations on both sides.

Moreover, according to information available in the editorial office, after the regiment had been prepared for withdrawal from the zone of armed conflict, Major S. Oganyan, commander of the 2d Motorized Rifle Battalion, together with several Armenian officers and soldiers of various nationalities subordinate to him, many of whom are running away from the subunit, seized a tank, three infantry fighting vehicles (according to other reports, 20 infantry fighting vehicles), and also two

artillery pieces, took up commanding positions 4 km south of the village of Balydzha, and is not letting two other battalions through from Stepanakert.

There has also been some confusion in the ranks of the paratroopers who are to ensure the regiment's withdrawal to a new place of stationing—nobody supposed that he would have to fight against his own people.

Incidentally, there have been many cases of betrayal of military duty in the Transcaucasus. Maj. V. Mudrak, who, as IZVESTIYA has already written, "surrendered" his own battalion's combat hardware to the Azerbaijani national army, is now a lieutenant colonel in command of a special-purpose battalion in that army and is fighting in its ranks—in particular, against his own former fellow servicemen.

The 366th regiment, which it had been planned to withdraw to Gyandzha, will now be moved to Georgian territory. Azerbaijan has declared that it will not admit those who have fired on its citizens. The regiment's banner is already in a new place. The immediate future will show what will happen to the long-suffering unit's soldiers. Two battalions of the motorized rifle regiment are ready to withdraw, but betrayal is hindering them, the military told us.

Spokesman on Regiment

LD0503130592 Moscow Mayak Radio Network in Russian 1100 GMT 5 Mar 92

[Text] The Mayak office has contacted Lietenant Colonel Nikolay Medvedev, chief of the press center of the joint Armed Forces of the Commonwealth, by telephone. He reported:

[Medvedev] Subunits of the 366th Motorized Rifle Regiment are today carrying out measures related to their relocation. Some personnel have already been transferred by helicopter. Some equipment and weapons have been dispatched to the new area of deployment—also by air. However, there has been a concentration of detachments of Nagorno-Karabakh self-defense forces today around the regiment's location. They are trying to impede the regiment's withdrawal by blocking the roads leading from the unit's location. Military helicopters are having to be used for the withdrawal of personnel, and to transport equipment and weapons.

Cases of the attempted seizure of arms and equipment on the part of the militants have increased. However, these are being stopped by the paratroopers securing the regiment's withdrawal. Unfortunately, there has been a victim among the paratroopers. Sergeant Ruder has been killed, drafted into the army in May 1990. Certain officers of this regiment of Armenian nationality have taken up a particular position. They are rejecting the evacuation, giving as their reason their unwillingness to abandon Stepanakert to the whims of fate. They include, in particular, a battalion commander: Major Seyran Aganyan. He was born in Shusha.

I would like to speak in particular about the accusations that have become increasingly frequent recently regarding the alleged participation of the regiment in the bloody and tragic events around Khodzhaly. I can only repeat one thing. The regiment has not received the order to participate in combat actions in Nagorno-Karabakh and was, at that time, preparing for redeployment. However, it cannot be completely ruled out that individual servicemen of Armenian nationality, and also deserters who have betrayed their military oath, may have taken part in the battles through insubordination, though there are so far no specific facts or evidence to this effect.

The regiment is leaving and will leave, there can be no doubt of this. Let me remind you that it is leaving with losses. As a result of the recent shelling of the regiment's location, three Russian soldiers have been killed, and over 10 servicemen have been wounded. Such is the information to date.

Armenian Helicopter Reportedly Downed by Missile

LD0403220692 Moscow Russian Television Network in Russian 2000 GMT 4 Mar 92

[From the "Vesti" newscast]

[Text] The night passed relatively quietly in Nagorno-Karabakh. However, the president of Russia, who is on vacation, has expressed great concern at the situation there. We share this concern. We now broadcast the latest news about the conflict: We have a report from Yerevan.

I have to apologize for an error. Yesterday we reported that an Armenian helicopter had been downed in air combat. This information has not been confirmed.

[A. Rudolf video report] The helicopter was downed by an Azerbaijani ground-to-air missile and crashed high in the mountains. Helicopter crews and members of the Spitak rescue team succeeded in rescuing the injured—a total of 38—from the wreckage of the burning helicopter, and took them to Armenia. As has become known, 16 people died. Five members of the crew were also injured.

After an Azerbaijani Mi-8 helicopter crashed near Shusha in as yet unexplained circumstances, virtually all helicopters delivering humanitarian cargo to Nagorno-Karabakh—which today is facing a complete transport blockade- are subjected to shelling.

Helicopter 'Flew Into a Hill'

OW0503131892 Moscow INTERFAX in English 1034 GMT 5 Mar 92

[Transmitted via KYODO]

[Text] The Interior Department of Keljabar region, Azerbaijan denies claims that the army helicopter MI-26 that fell in the area on March 3 was shot down by the Azeri side [sentence as received].

It says the helicopter flew into a hill due to bad visibility caused by fog.

"This is not the first incident of the kind, an officer said, but now Armenia has kicked a racket to distract public attention from the tragedy in Hojaly". (When Armenian militants captured this Azeri town in Nagorno- Karabakh on February 26 many people died, according to Baku's claims. Yerevan denies the claims).

It was also said that Azerbaijan does not have the weaponry to shoot down helicopters.

News Conference Held in Moscow on Khodzhaly

LD0403195992 Moscow Russian Television Network in Russian 1640 GMT 4 Mar 92

[By correspondent T.Orlova; from the "Vesti" newscast]

[Text] A news conference was held at the Azerbaijani mission in Moscow today. According to Rasim Agayev, press attache of the republic's president, its purpose was to tell journalists how Armenian guerrillas had practically wiped the Azerbaijani city of Khodzhaly off the face of the earth. According to Agayev, the press, including our program which was called "the Armenian Vesti" at the news conference, is distorting information on the situation in Nagorno-Karabakh.

The Azerbaijani side does not doubt that soldiers of the 366th Regiment were taking part in the operation. To tell the truth, proof was not offered as, according to Iman Mamedov, the head of the city's executive power, the witnesses who remained alive and who saw how Russian soldiers burst into houses, are now hospitalized and their presence here today was not possible.

In its turn the Armenian mission commented on the situation in the following way:

[Begin recording Feliks Mamikonyan, permanent representative of Armenia] Evil bears evil, violence gives rise to violence, and bloodshed will cause more bloodshed. Naturally, peace talks need to be started. [end recording]

Here is the Armenian position regarding Russia, whose participation is strongly objected to by the Azerbaijani side:

[Begin Mamikonyan recording] Of course, Russia's participation in this process is preferable as it is a part of the former Russian Empire. On the other hand Russia has geopolitical interests of its own and any process without Russia's participation may find itself in a blind alley. That is why we are always ready to conduct bilateral talks with Azerbaijan and have never refused to take part in them. [end recording]

Foreign Minister Appeals to UN

LD0503064292 Moscow TASS in English 0619 GMT 5 Mar 92

[Text] United Nations March 5 TASS—Azerbaijani Foreign Minister Musa Sadykhov sent a letter to U.N. Secretary-General Butros Ghali on Wednesday [4 Wednesday] informing him about "the seizure of the Azerbaijani city of Khodzhaly by Armenian terrorists."

He urged the United Nations to "stop the aggression against the Azerbaijani people."

"Over 1,000 people were killed and several thousands wounded as a result of a mass massacre in the city of Khodzhaly. The city was ruined and burned down," the letter said.

Sadykhov warned that separatist activities in the Nagorno- Karabakh region aim to divide Azerbaijan, which violates international law and urged the world community to take efforts to settle the conflict and restore peace in the region.

He stressed Azerbaijan is ready to discuss the problem with all concerned sides at a negotiating table.

Peace Plan for Nagorno-Karabakh Announced

LD0503070792 Moscow TASS in English 0657 GMT 5 Mar 92

[Report by ITAR-TASS correspondent Mikhail Kochetkov]

[Text] United Nations March 5 TASS—Azerbaijani Foreign Minister Musa Sadykhov announced a plan of peaceful settlement of the Azerbaijani-Armenian conflict in the Nagorno-Karabakh region at a news conference at the U.N. headquarters on Wednesday [4 March].

"All disputes between states should and can be solved only by political means. We have a concrete plan to settle this problem and a mechanism for carrying out this plan," Sadykhov said.

Among measures proposed by the plan are cease-fire, disarmament of illegal Armenian and Azerbaijani armed units in Nagorno-Karabakh and international control over the implementation of the plan by the United Nations and the Conference on Security and Cooperation in Europe (CSCE).

The plan also envisages placing U.N. peace-keeping forces along the Armenian-Azerbaijani border to protect the disputed enclave from terrorists and arms sales.

The plan will soon be submitted to the U.N. Security Council. "Since Azerbaijan received U.N. membership only a few days ago, it will take time to take these steps," the foreign minister said.

Speaking on the implementation of the joint communique signed in Moscow on February 20, 1992,

Sadykhov stressed that "the Armenian side has never started fulfilling the communique" and warned that "direct bilateral talks will become useless" if the Armenian side does not change its position.

Mutalibov Interviewed on Nagorno-Karabakh

PM0503121592 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Mar 92 p 2

[Interview with Azerbaijan President Ayaz Niyazi Mutalibov by Valeriy Simonov under the "First Persons" rubric and the general heading: "'Successes in This War Can Only Be Temporary'"]

[Text] Yerevan, Baku, Moscow—[Simonov] Yet another day of national mourning has been declared in Azerbaijan today, this time because of the tragedy at Khodzhaly. Ayaz Niyazovich, have there been more difficult days in your life than now?

[Mutalibov] To be honest, no, there have not. There has been nothing to compare with the gravity of this burden, this post, these days. Even though fate has not shown me any favors, I have always worked hard, there have been trials, but not like these...

[Simonov] How do you view the republic's position?

[Mutalibov] Tragic. In the past four years Azerbaijan has felt isolated. It is as though there were a conspiracy, as though some sort of secret plan were being implemented—point by point. It began with the discrediting of the Azerbaijani people after the first bloody clashes, then an explosion of separatism—and in just a few weeks the split in relations between the two peoples became a front line!

In the memory of present generations these relations have never reached such a state, such chaos. It is hard to believe that events developed spontaneously by themselves.

A noble intention—to proclaim general human values and to call for self-determination within the framework of a specific state—is developing, as it has turned out, into tension, blood, and war. I see in this a cunning scheme aimed at destruction and chaos in each of the newly self-determined states. If we understand autonomous formations in this way, what is to become of republics which have several such formations? How is such a state to be managed? Perhaps we see the answer within the framework of the Russian Federation on whose territory new autonomous states are being formed...

[Simonov] But how do you propose slowing down these processes? By new Karabakhs?

[Mutalibov] There is just one way: by the rigorous observance of international rules and principles. Within the former USSR all the necessary state structures existed and worked. Examine a question, put forward a solution, demand its fulfillment. No, they did not want to examine things. They sighed and moaned, they criticized all and sundry, saying, clear off, this is nothing to do with you, these are the global tasks of perestroyka... Then along came the CIS. There can be no interference in the affairs of a sovereign state there. So the conclusion: If you trust in the law, the constitution, and the promised protection of the interests of the components of the former Union and the center (after all, that is why it existed) you are bound to be fooled. It turns out that this is all naivety, a waste of time whereas our neighbors were not wasting theirs.

I think that the prospects of the CIS are depressing if each state fundamentally fails to see what is going on in its neighbor. Participation by our partners in the Azerbaijani situation has so far taken just one form: at a CIS heads of state session we were told: We cannot deal with a state on whose territory ethnic conflict is taking place. At last they have noticed what is "taking place"!

[Simonov] Tell me, after the world learned about the victims of Khodzhaly, did any of the CIS leaders ring you to express sympathy?

[Mutalibov] No, none of them. Not Yeltsin, no one. I recall the fuss that we made and how indignant we were when the Vietnamese village of Song My was razed to the ground. And we were rightly indignant. Probably all the indignation and sympathy were used up then.

All this should not be made into a problem for Azerbaijan alone. Explosions and conflicts are possible today on the territory of any CIS state—in Russia or the Central Asian republics. It is necessary to elaborate principles for the protection of the sovereignty and security of each Commonwealth member even if only from the instinct of self-preservation.

[Simonov] How do you view the Armenian side's recent military successes?

[Mutalibov] As temporary successes. Undoubtedly we will not leave in someone else's hands a single village where Azerbaijanis lived and were forced to quit. Despite the ferocity of recent clashes it is not necessary to launch all-out war to settle this problem. It must be clearly understood that no peasant on either side can plow and sow if he is under fire. Therefore, all the armed formations, who do not give a damn for the land or for labor, must leave the conflict zone. Then the peasants will return: You go back to your villages, we will return to ours. If the peace option does not work there will be a big war. We cannot stand any more, we have a vast number of refugees, they are flooding in. This is combustible material.

[Simonov] But Armenia is also putting forward peace initiatives and calling for talks.

[Mutalibov] You know, these statements look to me like a publicity stunt. If the Armenian President really wanted to settle the problem he would help the withdrawal of the armed formations. After all, the main conditions of any plan are a cease-fire and the demilitarization of the conflict zone.

[Simonov] So Ter-Petrosyan is proposing the very same steps toward talks.

[Mutalibov] We can both hear these appeals from elsewhere: meet, talk. There is one small snag: Neither of us is in a position at the moment to ease tension, to influence the situation. It has gotten out of our control; you have to admit that! There was that very authoritative meeting in Zheleznovodsk: Yeltsin, Nazarbayev. They sat down and talked—and what was the result? What happened? You can put forward as many initiatives as you like and talk about peace, but if you have a guy with a weapon in the conflict zone, he is only going to carry out his superiors' orders. Screw everything else, the peacemaking efforts, the organizations with fancy names—his job is to shoot. He is paid for it, for every dead Azerbaijani; there is even a graduated scale, a bonus system, so he is earning good money. Until he is withdrawn from the zone talk about peace is idle.

[Simonov] What did you think about the signing of the military treaty between Russia and Armenia?

[Mutalibov] It was a dangerous [nepredskazuyemyy] step. If two members of the CIS sign a bilateral agreement they are violating the chief principle of collective security. I believe the Russian Supreme Soviet will not ratify this treaty, since apart from anything else it could be a means of involving Russia in the dangerous conflict.

[Simonov] Tell me, can your strengthening links with Turkey and Iran be seen as the basis for a future military alliance?

[Mutalibov] So they say, those who would isolate Azerbaijan. What kind of military alliance can there be with Iran or Turkey when we are part of the CIS and have signed the Alma-Ata declaration on a single strategic area? We have businesslike, neighborly contacts. There are around one million Azerbaijanis in Iran. We are neighbors of Turkey and are close linguistically. Hence the links—cultural, economic, scientific, public health... Yet they say: Mutalibov went to Turkey for military aid. What aid, when everything is monitored. You can study our treaties—they are all innocuous. And all the talk about the Nagorno-Karabakh conflict on their part comes down to one piece of advice: A path to talks must be sought. Turkish diplomacy is among the most farsighted in the world. Don't expect it to do anything impulsive.

[Simonov] How much time and effort are you spending on Nagorno-Karabakh yourself?

[Mutalibov] Nearly all my time. The mental state I am in at the moment does not allow me to think about anything else. No way. You have to be some kind of automaton for that. My heart and my mind are concentrated on it and every report of people's deaths is agonizing. I am sensitive to the reproachful looks, the questions, the bewilderment...

It is hard to think of a better way of discrediting the president of Azerbaijan than to renounce all accords and promises and leave our people alone in the face of mortal danger. If the aim is to drown the president in a wave of popular grief and suffering, then I think that is a crime. You can accuse me of being suspicious, but how is one to view such facts? First there is opposition to Azerbaijan in the matter of creating its own army and equipping it, then CIS army subunits' posts are removed from the Azerbaijani-Armenian border, as if inviting the aggressor to come in and fight!

[Simonov] Who is this criticism aimed at?

[Mutalibov] At the general-purpose forces' joint command. Nagorno-Karabakh prompts the question: What is the CIS army supposed to be doing, who is it supposed to be protecting its members against? Against an external enemy? I think we will have to wait a long time for an attack by Turkey or Iran...

So our criticism is aimed at commander in chief Shaposhnikov. It is impossible: They tie our hands and now they ask us to fight. They have everything, we have nothing...

Then the opposition, particularly the People's Front of Azerbaijan, makes the same accusations: That you tarried, you did not insist at the right time on the creation of armed forces in the republic, you failed to announce the mobilization of all forces and resources, and so on.

That is something we do not want, our people are unaccustomed to fighting. And our armed forces are merely self-defense forces, very badly equipped. What is their job—to protect a village, to prevent it from being burned down, to protect people, even when their homes are half destroyed. They cannot even manage that. Yet everyone is accusing us of militarization, of placing the republic on a war footing.

[Simonov] Can you say who is leading the military actions, is there a single command, control of forces?

[Mutalibov] There is, but it is inexpert, it is being established as we go along. The detachments are fragmented due to pluralism and a multiplicity of commanders. Obviously, to steer a course toward all-out war means you have to adopt exceptional measures to ensure discipline, and that means declaring martial law in the republic, living by the laws of wartime. Maybe the public would then support the president... But do they see all the consequences? Hence my preoccupations at the moment.

[Simonov] Can you remember the day when you last felt happy?

[Mutalibov] I don't know... Well, my first grandchild was born, my second—but it all seemed to pass me by, amid all the hustle and bustle, the worry, all these damned problems. I don't know...

Estonia

Vahi Tours Cities; Promotes Trade With CIS

OW0403211492 Moscow BALTFAX in English 1949 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] Estonian Premier Tiit Vahi visited on March 4 the northeastern cities of Kohtla-Jarve, Sillamae and Narva where predominantly Russian population lives. The local news agency "Refak" reports that while meeting with the cities' administrations Vahi repeatedly stressed the need for Estonia to restore trade relations with Russia and other Commonwealth countries. He said a trade agreement for 1992 signed by him and Russian Vice Premier Yegor Gaydar is already in effect: in recent days Estonia received from Russia about 80,000 tons of liquid fuel.

During the trip Vahi also said that the Estonian currency, Krona, can be introduced only after the republic economy stabilizes.

Movement Calls Citizenship Law 'Irresponsible'

OW0403211192 Moscow BALTFAX in English 1949 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] The Russian Democratic Movement of Estonia [RDME] has adopted a statement in connection with "growing totalitarian tendencies and strengthening of national extremists' positions in the republic". A resolution "On the introduction of the 1938 law on citizenship" passed by the parliament will divide republican residents in Estonian citizens and foreigners, the document says. Foreigners' political activities may take undesirable, illegal forms thus leading to the strengthening of imperial, revanchist and chauvinistic ideology supported by certain political forces in Russia.

The RDME Central Council [CC] considers appeals to non-native residents of Estonia to receive the Russian citizenship "irresponsible", since "the presence of a significant number of foreign citizens in the republic may finally cause the Dnestr republic's way of development in Estonia".

The RDME CC intends to seek adoption of a legislation putting no obstacles to receiving the Estonian citizenship by non-native residents of Estonia.

Self-Defense Detachment Acquires Army Property

OW0403211292 Moscow BALTFAX in English 1949 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] The Estonian "Kaitseliit" self-defense detachment has acquired VAZ automobiles, 4 mine detectors, 2 field radio stations, tents and uniforms from the Northwestern Group of Forces stationed in the republic. An officer's winter uniform was sold for 2,200 rubles, summer uniform—about 1,000 rubles. Some of the prices set by the military appeared to be too high for the detachment. Thus, the military requested 24,000 rubles for a big tent.

BF's [BALTFAX's] correspondent reports that recently the "Kaitseliit" detachment of the Ids-Virumas province northeast of Estonia urged the Northwestern Group of Forces' command to transfer to it property of a civil defense regiment stationed in the city of Johvi. The regiment's personnel was pulled out of Estonia late last year leaving only several officers and soldiers to guard the property. Earlier this week the Northwestern Group of Forces' command allowed the regiment's commander to sell part of the property, save for arms, to "Kaitseliit".

Azerbaijan Society Pickets Russian Embassy

OW0303191692 Moscow BALTFAX in English 1831 GMT 3 Mar 92

[Transmitted via KYODO]

[Text] "Estonia-Azerbaijan" society organized a picket outside the building of the Russian Embassy in Tallinn on March 3. The society's chairman Farhad Kheidarli handed to Oleg Popovich, the permanent representative of Russia in Estonia, a message addressed to President Yeltsin.

The message demands that "the Russian troops be immediately withdrawn from Azerbaijan and that the Russian mass media stop circulating biased information about Azerbaijan".

The Russian representative told Kheidarli that he shared the concern of the Azeris about the escalation of the hostilities in Nagorno-Karabakh but stressed that "the allegations concerning Russia are groundless". Popovich promised to transfer the message of the "Estonia-Azerbaijan" society to the secretariat of the Russian president.

Labor Minister Explains Heat, Rent Increase

LD0303181792 Tallinn Radio Tallinn Network in Estonian 0700 GMT 3 Mar 92

[By government press secretary Neeme Brus]

[Excerpts] [Brus] The government of the Republic of Estonia was forced to make an unpopular decision at its late-night session yesterday. We asked Labor Minister Arvo Kuddo into our studio to explain why the government was forced to increase the prices for fuel, electricity, and rent.

[Kuddo] The government met yesterday for nearly six hours to discuss this issue. As is known, as of the new year fuel has been arriving here at extremely high prices, with fuel oil costing nearly 5,000 rubles [per tonne]. We

are forced to introduce world market prices more and more. This is fully justified economically because we are an independent state and we have to trade at true prices. [passage omitted]

[Brus] Perhaps we can now be specific and talk about how much an average apartment will cost. There are big differences, but we will attempt to give you an idea based on average figures.

[Kuddo] An average calculation statistically is for a two-room apartment with 46 square meters of general floorspace, with an average of 2.4 people living in it. At the moment the cost of maintaining such an apartment amounts to 76 rubles in total. Now, with the new prices and tariffs, the total cost will increase to 530 rubles. That includes the new price for electricity. It was decided to keep it at one ruble per kilowatt hour as announced earlier. For heating an upper limit was established at 150 rubles per giga-calorie. One can say that on average a two-room apartment which is centrally heated will need one to 1.5 giga-calories a month. Other expenses have also increased. The rent increase can be calculated at 158 rubles. All in all, with the increases the total amounts to over 500 rubles.

[Brus] This sounds quite alarming. Naturally, the government cannot leave its people at the mercy of prices of this kind. What protective measures has the government adopted?

[Kuddo] [Passage omitted] First, the minimum wage will be increased to 1,000 rubles from the present 600. [passage omitted] Increasing the minimum wage to 1,000 rubles also means that other social benefits will increase sharply. [passage omitted]

It was decided to introduce a special housing supplement. A housing supplement will go to families where the total expenditure on housing exceeds 25 percent of the total family income. [passage omitted]

[Brus] The compensation will come from the state budget via local governments. Where will the state get the money?

[Kuddo] All the compensation will be at state expense. We have to do some plain talking with our neighbors, the Latvians, because we cannot sell cheap electricity outside the republic if we ourselves consume electricity at a normal market price. For this reason it was decided in the course of talks to establish three rubles per kilowatt hour as price for electricity to Latvia, starting back on 15 February. These talks must now be concluded as soon as possible. [passage omitted]

Economy Minister Says Situation 'Deplorable'

LD0303200692 Moscow POSTFACTUM in English 1636 GMT 3 Feb 92

[From the "Politics" section]

[Text] According to Heido Vitsur, Estonia's economy minister, the situation in Estonia is extremely deplorable.

Speaking at a news conference in Tallinn on March 2nd, Heido Vitsur, Estonia's economy minister, also said that the whole lifestyle is changing, but people should not suffer as they are not to blame for the inefficient economical set-up.

According to Vitsur, it is really a question of survival for the people who go into the so-called risk groups, as the current system of social security cannot help all those who need aid. Heido Vitsur, Estonia's economy minister, is sure that as long as cardinal measures are not taken, social and economic situation in Estonia will continually deteriorate.

Arvo Kuddo, labor minister, stressed that an increase in rent which is planned in Estonia will be the greatest rise in life expenses in the recent years. The rent is supposed to be raised by 50 times. Tiit Vahi, prime minister, said that the Estonian Government is now looking for money, and that a decision on the rent raise and an increase in power supply pay (from 20 copecks to one ruble for 1 kwt/hour) has not been adopted as yet. No variant of rent increase (by about 7-8 times) was adopted, as the republic's government would like to make for this increase by a rise in the minimum wages rate and by payments of social compensation.

Latvia

Russia's Nonobservance of Treaty Protested

LD0403223392 Riga Radio Riga International in English 2130 GMT 4 Mar 92

[Text] The Latvian Foreign Ministry has sent two notes of protest to their Russian counterpart.

The first note claims that Russia violates the agreements reached last October on demobilization of servicemen drafted from the Baltic states as of January 1992 as they so wish. The note stated Latvia's Foreign Ministry has reliable information on several cases when agreement has not been observed by the Russian military authorities and requested to inform the commander of Commonwealth of Independent States Armed Forces, General Shaposhnikov, about these cases which have been depicted in the document.

The second note protests the order issued by the Commander of CIS Air Force, Deynekin, to limit for a short duration of time civilian flights in the Latvian air space on 19th and 20th February. The note states the order has not been coordinated with the Latvian authorities and information about such order has not been conveyed to the Latvian side in advance.

Army Withdrawal Talks Continue

LD0403164492 Riga Radio Riga Network in Latvian 1400 GMT 4 Mar 92

[Text] Experts from the Republic of Latvia and the Russian Federation who are examining questions on the withdrawal of the Army from Latvia met in Moscow yesterday and today. The Latvian side is led by Deputy Defense Minister Dainis Turlajs, and the Russian side by Mr. Zotov, first deputy head of administration of the Ministry of Foreign Affairs.

Organizational and technical questions of the withdrawal; questions about property, ecology, and the legal aspects of the Army withdrawal; and questions of the social security of the military, their families, and military pensioners are being discussed.

It is envisaged that the protocol drawn up by the experts will be signed today.

The group feels the talks are very constructive and the mood of the group is optimistic.

Agriculture, Real Estate Privatization Viewed

OW0403134392 Moscow BALTFAX in English 1312 GMT 4 Mar 92

[Transmitted via KYODO]

[Text] On March 3 the Latvian parliament passed a privatization concept determining that pending the introduction of Latvia's national currency, the lit, the facilities to be auctioned off within the framework of the privatization effort must be paid in foreign exchange. Public enterprises can transform themselves into joint-stock companies. National and municipal property can also be leased out, to be acquired in installments at a later date.

Agriculture will not be privatized until after the adoption of corresponding laws, which are to be formulated before April 20, 1992. A separate law will be formulated to cover privatization of real estate before May 30, 1992. The Latvian premier spoke in parliament in favor of drawing up a list of the facilities that can only be sold to foreign business people.

First Private Bank Established

LD2702221792 Riga Radio Riga Network in Latvian 1830 GMT 23 Feb 92

[Text] The first private bank in Latvia is being set up by the Parex Company, Ltd. and private persons. As LETA News Agency was told by the commercial director of the Parex Finance Company, (Viktors Krasovickis), all the documentation has been approved. The bank will start to function as soon as the Swedish company Kungsornen AB Foretags provides the bank's new premises.

(Krasovickis) said the bank's statutory capital will be 100 million rubles; 75 percent of the shares will belong to Parex and 25 percent to private persons. The percentages for investments in rubles will be figured in freely convertible currencies. The bank will also conduct hard currency credit operations.

New Transportation Minister Appointed

LD0503090592 Riga Radio Riga Network in Latvian 1400 GMT 4 Mar 92

[Text] Andris Gutmanis was appointed the new Latvian minister of transportation by the Supreme Council with 94 votes for, six against, and six abstentions. Until now Andris Gutmanis was the first deputy minister of economic affairs. He is a chemist/technologist by training.

Lithuania

Landsbergis Dismisses Russian Attack Potential

PM2802144692 Moscow ROSSIYSKAYA GAZETA in Russian 27 Feb 92 First Edition p 7

[Report by Jurgis Tubinis under the "Nearby Foreign Parts" rubric: "Lithuania. 'That Is Impossible...'"]

[Text] Vilnius—"That is impossible," Lithuanian Supreme Council Chairman V. Landsbergis said when assessing the possibility of a Russian attack on Lithuania. The republic parliament's information department has publicized Landsbergis' position regarding the sensational THE WASHINGTON POST item concerning U.S. plans to protect Lithuania.

Lithuania has good relations with the current Russian Federation leadership and it cannot imagine any irrational military attacks which would be sanctioned by President B. Yeltsin for instance, Landsbergis said, stating his position. He went on to say that, although the economic pressure on Lithuania now being exerted by Russian ministries could not be called normal, nonetheless a direct attack, which the Pentagon predicts as a definite possibility, would be a threat only in the event of Yeltsin's removal and the accession of antidemocratic forces.

But generally, Landsbergis added, if the United States thinks that it is vitally important for it to defend freedom and democracy in Lithuania, then we cannot get angry about this.

Kaunas Commandant Says Pullout Just 'A Show'

LD0403143492 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 4 Mar 92

[By Kaunas correspondent Jolanta Saplinskiene]

[Text] Major Vilkelis, commandant for the Kaunas region, visited the military units deployed in Kaunas last week. Consultations were held concerning the withdrawal of troops from Kaunas.

The leadership of the Soviet military units were acquainted with the 30 January 1992 communique of the Republic of Lithuania and the Russian Federation, and also with other documents. The documents were signed by representatives from all the main military units deployed in Kaunas, after they had familiarized themselves with the documents.

In the commandant's opinion, the withdrawal of military units from both Vilnius and Kaunas is but a show. It was announced that a pontoon bridge battalion stationed in Vaidotas Steet would be withdrawn in July. It appears, however, that this area will be taken over by an engineering regiment, and that the premises in Juozapavicius Avenue, which will be vacated by the construction battalion, are to be occupied in April by the paratroopers.

At present, close links are maintained by the Kaunas commandant's office at the Ministry of Defense with the commanders of the main military units. Information is constantly exchanged, and efforts are made to convince the servicemen that solving social problems in their fatherland will depend on their good nature. Already this week or next month, two units stationed at the armored equipment manitenance bases should be withdrawn.

Problems Accompanying Troop Withdrawal Cited

PM0403150592 Moscow IZVESTIYA in Russian
4 Mar 92 Morning Edition p 2

[Report by Nikolay Lashkevich: "First Military Unit Leaves Lithuania"]

[Text] Vilnius—On Tuesday 3 March, at approximately 1000 local time, an air defense battalion—the first military subunit scheduled to be withdrawn—began its relocation outside the republic following a send-off ceremony.

Prior to this its base had been moved from its permanent stationing in the suburban settlement of Mickunai to another suburb of Vilnius—Visoriai. A column of combat hardware has already set out from there for the Lithuanian border city of Zarasai, and then on to Pskov.

On the territory of Latvia the Lithuanian territorial protection staffers and the policemen accompanying the column will be replaced by officials of the Latvian Republic's corresponding services. Thus, it is already possible to maintain with good reason that the withdrawal of Russian troops from the Baltic countries has begun. Although the timing of the start of the withdrawal, which had been scheduled for February according to the accords between the Lithuanian and Russian delegations, was not complied with, I believe that the slight delay was not of a fundamental nature. However, Lithuanian Republic officials take a somewhat different view. They have declared, in particular, that the agreement reached during the January meeting between V. Landsbergis and B. Yeltsin to begin the troop withdrawal in February and also to withdraw military subunits from the Lithuanian capital first has nevertheless been violated. Moreover, the list of units scheduled for withdrawal in March, received by the Territorial Protection Ministry, once again does not include the division stationed in Vilnius. But Lithuania is demanding that precisely this combined unit, which participated in the January events, be withdrawn first of all. On the other hand, the communique on the working meeting of the Lithuanian and Russian state delegations did not mention the initial withdrawal of units from the republic's capital.

However, the chief problem now is that an efficiently functioning troop withdrawal mechanism has not been finally drawn up. Many misunderstandings—failure to meet deadlines, disputed issues of inspection monitoring, the handover and acceptance of installations, etc.—are arising for precisely this reason.

"We have submitted our proposals," Colonel General V. Mironov, commander of the Northwestern Group of Forces, told IZVESTIYA's correspondent. "Both in respect of property and inspection issues and, in general, on the principles of the troop withdrawal from Lithuania. In particular, we abide by the opinion that all the property that was under Lithuania's jurisdiction prior to 1940 must be handed over to Lithuania, whereas that which was built in the republic at the expense of the USSR Ministry of Defense and the Union budget is the subject of specific negotiations. I do not rule out the possibility that some of the hardware and armament might be sold to Lithuania—how much, when, and at what price is another matter."

It remains to put our trust in the intensive work of the joint expert groups, which have still to draw up a mutually acceptable troop withdrawal "scenario." Various conflict situations have already been arising in Lithuania—now here, now there. Thus, a conflict in the Klaipeda border zone over the ferry building—to which the Lithuanian border services laid claim—lasted almost two weeks. In Prenayskiy Rayon the military left a communications installation without agreeing with the authorities in advance the details of the terms of their departure. As a result, local residents began to snap up the leftover military property. Some people even came in trucks from Kaunas in pursuit of army goods. The police managed to detain enterprising dealers but cannot institute proceedings—there is no one in charge, and who is the plaintiff?

Accompanied by the fuss over the withdrawal, even servicemen themselves, alas, are not fastidious about doing a bit of property dealing. During this period misunderstandings and complications have also arisen at the interstate level. Things have even gone as far as Russian Foreign Ministry notes and the summoning of E. Bickauskas, Lithuania's charge d'affaires ad interim in Russia, to Smolensk Square. It turned out that the Lithuanian authorities had not advanced any demands for the withdrawal of troops from Siauliai and Panevezys and had no intention of storming the places where they

are stationed—about which the Russian Foreign Ministry had received information from someone or other and had demanded explanations.

In short, the preliminary lesson taught in the course of organizing the first withdrawal of a military unit is obvious: Without a profoundly conceived plan of the phased withdrawal of troops from Lithuania and the other Baltic republics this complex process threatens to become ungovernable. A great deal can be cleared up by the upcoming meeting in Vilnius between Col. Gen. V. Mironov, commander of the Northwestern Group of Forces, and A. Butkevicius, Lithuanian minister of territorial protection.

In Mironov's opinion, the process of the troop withdrawal from the Baltic countries could drag on for five years. Naturally, the Lithuanian side will accelerate this process.

Meanwhile, according to the plans of the military, the Mickunai battalion is to cross the Lithuanian-Latvian border between 1800 and 1900 hours. As J. Pauzolis, deputy minister of territorial protection, who was present at the send-off ceremony, said, next in line is the withdrawal of a tank repair regiment from Kaunas and an air-engineer battalion from near Siauliai.

Further on Envoy's Remarks on Kaliningrad

LD0403144492 Moscow TASS in English 1342 GMT 4 Mar 92

[By ITAR-TASS diplomatic correspondent Aleksandras Budris]

[Text] Moscow March 4 [dateline as received]—The Lithuanian Embassy in the U.S.A. did not share the Russian Foreign Ministry's sharp criticism of the statement made by the head of its mission in respect of Kaliningrad's status, as the diplomat had "only expressed his personal views, which do not have any official status".

The Lithuanian Embassy in Moscow on Tuesday [3 March] distributed the statement of its diplomatic mission in Washington in connection with the recent views expressed by the Ambassador Stasis Lozoraitis. According to it, he had said: "Kaliningrad province could have become part of Lithuania". As reported earlier, on March 2 at a briefing held in Moscow the head of the information department of the Russian Foreign Ministry Vitaliy Churkin described those words as "provocative" and emphasised the necessity of an "official clarification by the Lithuanian side".

According to the statement issued by the embassy, the Lithuanian Ambassador to the USA Stasis Lozoraitis "only expressed hope that a harmonic cooperation, useful for both countries, would be established in this region between Russia and Lithuania".

The words of the Lithuanian diplomat in this incident should be characterized as a "contribution to an open discussion on international questions and problems of the Eastern Europe", rather than as provocative, the statement specified.

Foreign Ministry Excludes CIS on Border Issue

LD0203213792 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 2 Mar 92

[Text] At this morning's briefing, Supreme Council press representative Audrius Azubalis stated that the note received from the Russian Foreign Affairs Ministry on 25 February, which states that Lithuania's actions in taking over protection of the state borders are illegal, is totally without basis. The fact that the Russian Army is continuing to protect independent Lithuania's borders is a violation of our state sovereignty. By the way, it is asserted in this note that the border army has been transferred to the jurisdiction of Russia. Until that time, it used to be explained in Moscow that decisions concerning border protection fell under the prerogative of the CIS. Thus, from now on it will be evident to Lithuania that negotiations regarding this question must be conducted with Russia alone rather than with the CIS states.